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Daily Report

China

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6 February 1990

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General

UN Delegate Reaffirms Sovereignty Over Tibet

OW0602053590 Beijing XINHUA in English
0300 GMT 6 Feb 90

[Text] Geneva, February 5 (XINHUA)—Tibet is an inalienable part of the People's Republic of China, Zhang Yishan, deputy representative of China told the 46th session of the United Nations Human Rights Commission here today.

Zhang said that over the past 700 years, successive central governments all exercised effective and sovereign administration over Tibet. The area now is an autonomous region, an administrative division analogous to a province like other administrative divisions, and constitutes an inalienable part of the People's Republic of China. No government in the world has ever denied these facts, he added.

The so-called "right to self-determination" in Tibet is in reality tantamount to inciting the "independence of Tibet," Zhang pointed out. Trying to dismember the territory of a member state by taking advantage of the U.N. human rights forum can have no other explanation but wanton interference in the internal affairs of China, Zhang said.

He also said that what the old imperialists and colonialists failed to achieve when they could play the tyrant can in no way succeed today when the 21st century is approaching.

Zhang said that China's central government conducted democratic reform and the abolishment of feudal serfdom in Tibet in 1959. This made it possible for the former serfs and slaves to take destiny in their own hands and become the masters of society. For the first time, they truly enjoy all fundamental human rights guaranteed by the Constitution of the People's Republic of China, he said.

All of these actions by the Chinese Government are of themselves the greatest contribution to the promotion and realization of basic human rights in Tibet, he explained.

Further on Resumption of World Bank Loans

HK0602040090 Beijing RENMIN RIBAO in Chinese
28 Jan 90 p 3

[Report by Zhang Liang (1728 0081): "World Bank President Conable Recommends the Resumption of Two Urgent Loans to China"]

[Text] Washington, 27 Jan—According to an informed source, World Bank President Conable yesterday recommended to the bank's executive board that it resume two urgent loans to China with a total amount of \$90 million. One of the loans will be used to solve poverty problems in parts of Jiangxi Province. The other will be used for

economic construction in areas in Shanxi and Hebei that were damaged by earthquakes in October last year. The World Bank Executive Board has planned to put Conable's recommendation to the vote on 8 February.

Last June the World Bank suspended a loan totaling \$780 million to China. This loan involves seven projects. According to reports, World Bank President Conable has said that the bank will gradually approve the resumption of five other loans to China in light of the situation in the country's economic reform.

Professor, Observers Attend UN Anticrime Meeting

OW0602081790 Beijing XINHUA in English
0701 GMT 6 Feb 90

[Text] Vienna, February 5 (XINHUA)—Strong international co-operation was urged as the 11th session of the United Nations Committee on Crime Prevention and Control opened here today.

The call came from Margaret Anstee, head of the U.N. Vienna office to the 27 members of the committee, observers, and the representatives of some non-government organizations.

The main task of this session is to prepare for a meeting of the committee on crime prevention and criminal treatment's eighth session to be held at the end of August in Havana.

Professor Cheng Weiqu from the Chinese University of Political Science and Law, together with two observers sent by Chinese Government attended the session.

Delegates Attend International Weather Conference

OW0502194490 Beijing XINHUA in English
1850 GMT 5 Feb 90

[Text] Maputo, February 5 (XINHUA)—A week-long international meteorology conference ended here today, with a call for multilateral and multidisciplinary cooperation at both international and national levels.

The conference opened on January 31. Attending were experts from seven Portuguese speaking countries—Brazil, Portugal, Angola, Mozambique, Cape Verde, Guinea Bissau and Sao Tome and Principe—and invited delegates from Madagascar, Macao and China and representatives from the World Meteorological Organization.

The conference discussed the problems of the management of meteorological institutions, meteorological instruction and training and meteorology and its impact on social and economic development and environment. It also discussed the use of the Portuguese language as an official working language in the World Meteorological Organization.

Participants urged the adoption of the alternative mechanisms in order to maintain the equilibrium of the application of new technology and preservation of the natural environment.

The meeting adopted an integrated analysis of the development of meteorology in the Portuguese speaking countries, with special emphasis on hydrology, agricultural meteorology, environment and the prevention and minimization of natural catastrophes.

Commentator Denounces U.S. Invasion of Panama

OW0602111490 Beijing BAN YUE TAN in Chinese
No 1, 10 Jan 90 pp 52-53

[BAN YUE TAN commentator: "Panama Is Not a State of the United States"]

[Text] On 20 December, 20,000 U.S. troops—including 7,000 men from the Air Force and the Marine Corps in the U.S. continent—launched the largest-ever armed invasion of Panama. For a time, wanton and indiscriminate bombings as well as artillery fire were everywhere. The U.S. troops then occupied Panama City, the capital, and Colon, the second largest city. The situation was worsening.

This was a barefaced and downright act of aggression.

This was a case of a superpower trampling on the sovereignty of a small nation.

Panama is a small Central American country with a population of 2 million. But it is an independent sovereign state. Panamanian affairs should be controlled and handled by the Panamanians themselves, and they should brook no interference by any foreign countries. How can the United States justify its invasion of Panama? Panama is not a state of the United States that allows the United States to come and go or do whatever it pleases. It is only natural for the mass media of the world to strongly condemn the sending of the massive number of troops to invade Panama, which amounted to trampling the Charter of the United Nations and the norms of international relations.

The United States used lame arguments to defend its aggressive acts, claiming that it was exercising the "right of self-defense" to protect the Americans. This was absurd. The world would be in chaos if other countries were to follow suit and exercise their "right of self-defense" in some other countries.

We all know that the U.S. authorities have been pushing the policy of interfering in the Panamanian affairs for a long time with the purpose of protecting the major economic, military, and political interests of the United States in Panama. The United States acquired the right to build and permanently use the Panama Canal through an unequal treaty in 1903. Later on, it moved the Southern Command—which controls all military actions

in Latin America—to Panama and established 14 military bases. The bases have 12,000 troops permanently stationed there. The Panamanian people have waged a prolonged struggle to recover sovereignty over the canal. In September 1977, the United States and Panama signed a new canal treaty under which Panama will recover entire sovereignty over the canal and the United States will withdraw all its canal-based troops by 31 December 1999. But the United States went back on its word and was not willing to return sovereignty over the canal to Panama. It wanted to revise the treaty so as to perpetuate the military bases in the Panama Canal Zone after the year 2000. Noriega, commander of the Panama Defense Force, firmly rejected this attempt of the United States. Harboring resentment against Noriega, the United States repeatedly stirred up trouble in a determined effort to eliminate him. This was the true reason for the U.S. armed invasion of Panama.

U.S. authorities have all along claimed to be most respectful and in defense of human rights, and have styled themselves the "defender of human rights." But in actuality, they have no regard for the rights of other countries—not to mention the rights of human beings—that do not conform to U.S. interest. It directly sent troops to Grenada, brazenly supported antigovernment armed forces in Nicaragua, and conducted wanton bombings in Panama..... What right does a hegemonist that wantonly infringes on other countries' rights and bullies the weak by force have in prating about human rights? This only exposes its hypocritical feature as a "defender of human rights."

The U.S. armed invasion of Panama goes against the current international trend of relaxation and dialogue and is diametrically opposed to the call for the establishment of a new international political order. The people of all countries have strongly demanded that the United States immediately stop its invasion of Panama and swiftly withdraw its troops from Panama. Justice is on the side of the Panamanian people, who will never yield in their adamant struggle against the U.S. invasion and for the recovery of sovereignty over the canal.

United States & Canada

Article Examines Reasons for Scowcroft's Visit

OW0602121390 Beijing BAN YUE TAN in Chinese
No 1, 10 Jan 90 pp 14-15

[Article by Shi Lujia (2457 7627 0163): "Why Did the U.S. President's Special Envoy Come to China?"]

[Text] Scowcroft, national security adviser to the President and special envoy of U.S. President Bush, visited our country from 9 to 10 December 1989. Comrade Deng Xiaoping, General Secretary Jiang Zemin, and Premier Li Peng separately met with him. Foreign Minister Qian Qichen held talks with him. This visit of U.S. President's special envoy was followed with interest by public opinion, both at home and abroad.

As is known to all, the United States announced a number of "sanction measures," including suspension of mutual visits between high-level officials of the two countries, after we had quelled the counterrevolutionary rebellion. Why, then, did the U.S. President send a special envoy of such a high ranking as the national security adviser to visit China?

During his meeting with Scowcroft, Deng Xiaoping pointed out: "The step you have taken is an important one. Its significance is that—despite some disputes and those problems and differences between our two countries—in the final analysis, it will never do until China and the United States get on friendly terms. It is a necessity for peace and stability in the world." Scowcroft expressed that he completely agreed with Deng Xiaoping's views. He stressed that President Bush's sending of him to China indicated the importance the United States attached to developing the U.S.-Chinese relations. Both sides hoped that this exchange of views would be conducive to eliminating differences between the two countries and enable the Sino-U.S. relations to be resumed and developed at an early date.

It may be said that the China visit by the special envoy of the U.S. President was a result of the Chinese Government's persistence in its principles and the justified struggle it waged with moral integrity against the U.S. side to maintain its advantage. Chinese leaders have repeatedly pointed out that the present difficult situation in Sino-U.S. relations was entirely caused by the U.S. attempt to impose its own views and concept of value on China. China's policy toward the United States remains unchanged, and China is still prepared to develop friendly relations and cooperation in accordance with the principles stipulated in the three Sino-U.S. joint communiques. However, the U.S. side must take the initiative if the current deadlock in the Sino-U.S. relations is to be broken. The initiative can only be taken by the United States. It is the only way. Of course, the Chinese side will also respond to any positive action taken by the United States to this end. This stand taken by the Chinese Government has gained the understanding of some personages with breadth of vision in the United States. Former U.S. President Nixon and former Secretary of State Kissinger successively visited China at the end of October and in early November. After they returned home, they did a great deal of work to encourage and goad President Bush to take the initiative to resume Sino-U.S. relations.

Of course, no matter whether it was Nixon, Kissinger, or President Bush, their willingness to resume high-level contacts with China was primarily out of consideration for the interests of the United States itself. A White House spokesman clearly and specifically pointed out that sending Scowcroft to visit China "is in the long-term interests of the United States." What are the "long-term interests"? First, they are its strategic interests; that is, the maneuver to maintain a strategic balance in the big triangle of the relations between China, the United States, and the Soviet Union. In a recent report [bao gao

1032 0707] to Congress, Nixon pointed out that though the U.S.-Soviet relations have been relaxed, "we still have important strategic interests for wanting to resume good relations with the People's Republic of China." He believed that stopping high-level contacts between China and the United States is not helpful for safeguarding the "geopolitical interests" of the United States when dialogue is going on now between China and the Soviet Union and between the United States and the Soviet Union. He also maintained that the United States still needs China's "cooperation" as well—in arms reduction and political settlements of regional conflicts. Second, the United States has in mind peace and stability in the Asia-Pacific region. Nixon mentioned in particular that Japan is already an economic superpower and has the capabilities to become a military and political superpower, and that "under the circumstances, a strong and stable China that has close relations with the United States is indispensable for balancing the powers of Japan and the Soviet Union in the Far East. Third, there are the economic interests. In his report, Nixon pointed out: "China will inevitably become an economic superpower. Its 1.1 billion population will provide a huge market for advanced industrialized countries. Do we wish ourselves to be shut off from the market and let it be taken over by the Japanese and the Europeans?"

Bush's sending of his special envoy to visit China caused strong reaction in the United States. Some personages with strategic foresight in the political circles expressed approval. However, a number of congressmen criticized Bush for "kowtowing to Beijing" and even threatened to take tougher "sanction" measures against China. Besides, so far as the Bush administration is concerned, sending a special envoy to visit China was also merely a gesture. It has neither taken any concrete action nor lifted its "sanctions" against China. Therefore, though both China and the United States wish to settle their disputes as quickly as possible to promote new development in the relations between the two countries, the road to the goal will not be smooth.

Further on NPC's Condemnation of U.S. Sanctions

OW0602110890 Beijing in English to North America
0300 GMT 6 Feb 90

[Report by station reporter Xu Guozhen]

[Text] The Foreign Affairs Committee of China's National People's Congress [NPC] Saturday issued a strong protest against the U.S. Congress for readopting an amendment authorizing sanctions against China. Radio Beijing's Xu Guozhen attended the meeting and filed the following report:

Last Tuesday the United States Congress readopted an amendment imposing sanctions on China which was first adopted last November. The amendment was a reaction to China's quelling of antigovernment turmoils in Beijing several months ago. In response, Vice Foreign Minister Liu Huaqing lodged a protest on behalf of the

Chinese Government, strongly criticizing the U.S. Congressional action. The members of the Foreign Affairs Committee of Chinese parliament, the NPC, met the following day, and voiced the support for the government stand.

Yao Guang is a vice chairman of the NPC Committee.

[Begin Yao recording in Mandarin, fading into English translation by announcer] Yao Guang says: China will stick to its reform and open door policies, but will not give up its independent foreign policy. The U.S. Congressional act is hegemonic, and it is wrong to think that the pressure will make China change its foreign policy. Despite economic difficulties, China will not deviate from its socialist path. China hopes to improve bilateral relations with the United States. But this is impossible under pressure imposed by one side.

Zhang Wenjin is another vice chairman of the Foreign Affairs Committee of the NPC. [Begin Zhang recording in Mandarin, fading into English translation by announcer] Zhang Wenjin says: The U.S. Congress amendment is based entirely on rumors and it disregards the facts. The truth is that China is enjoying political, economic, and social stability, and its people are living and working in peace and contentment. China's policy toward the United States must have two sides. On the one hand, China strives for friendly relations with the United States. This friendship must be based on the Five Principles of Peaceful Coexistence and the Sino-U.S. joint communiques. On the other hand, he says, China must be on the alert for U.S. hegemonic actions. The Chinese people must engage in a persistent struggle against the U.S. hegemonism.

At the meeting, many committee members expressed the indignation of the U.S. Congressional action. Toward the end of the session, a statement was read out condemning the U.S. Congress for readopting the amendment.

[Second announcer in Mandarin, fading into English translation by announcer] The statement says: The U.S. Congressional action reveals the stubbornness of certain forces in the United States and their hostility toward China and the Chinese people. The United States is responsible for the current problems in Sino-U.S. relations.

The NPC statement urges U.S. legislators to stop interfering in China's internal affairs and hopes that the U.S. Government will adopt measures to lift the sanctions against China so that Sino-U.S. relations will back to normal early.

Southeast Asia & Pacific

XINHUA Reports Sihanouk, Li Peng Meeting

OW0502145390 Beijing XINHUA in English
1434 GMT 5 Feb 90

[Text] Beijing, February 5 (XINHUA)—Cambodian President Samdech Norodom Sihanouk announced here tonight that he will visit Thailand and Singapore unofficially soon and then inspect Cambodia's liberated areas and live there for awhile.

The announcement was made during a meeting between the Cambodian president and his wife, Princess Monique, and Chinese Premier Li Peng.

Sihanouk said the Cambodian people have achieved great results in their struggle against foreign aggression and recently established their own liberated areas.

The Chinese premier congratulated the Cambodian people on their victory. He said Sihanouk's inspection will greatly inspire the Cambodian people and their Army and produce a good international impact.

He reiterated that China will always be a reliable friend of Samdech Sihanouk, who is always welcome in China.

He said he was happy to meet the Cambodian president and his wife after the Spring Festival.

Sihanouk congratulated Li on China's good political and economic situation.

After the meeting, Li held a banquet in honor of Sihanouk and his wife. Li's wife, Zhu Lin, and the director of the State Council's Foreign Affairs Office, Liu Shuqing, attended the meeting and the banquet.

According to a statement by Sihanouk on February 3, the name of his country was changed from Democratic Kampuchea to Cambodia beginning on that day. The traditional national flag, used for centuries, was restored, as was the old national anthem.

The statement said that, as the legal head of state of his country, Sihanouk is the president of Cambodia. The Government of Democratic Kampuchea was changed into the National Government of Cambodia. The statement also said the political system of Cambodia is the same as that of the Fifth Republic of France.

Near East & South Asia

Vice Premier Wu Xueqian Meets Moroccan Official

OW0602091390 Beijing XINHUA in English
0851 GMT 6 Feb 90

[Text] Beijing, February 6 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with visiting Moroccan Minister of Administrative Affairs Abderrahim Ben Abdeljalil [title as received] and his party here today.

On behalf of the Chinese Government, Wu extended a warm welcome to the Moroccan guests who have been here to exchange experiences in personnel management and administrative affairs with the Chinese Ministry of Personnel and acquainting themselves with China's achievements in its reform and opening to the outside world.

The Moroccan visitors arrived in Beijing February 5 as guests of the Chinese Minister of Personnel Zhao Dongwan who attended today's meeting.

Syria Establishes 'Friendship Woods' With State

OW0502213390 Beijing XINHUA in English
1915 GMT 5 Feb 90

[Text] Damascus, February 5 (XINHUA) — Tree planting was launched here today in the "Sino-Syrian Friendship Woods," a new name given to one of the most picturesque spots in Syria.

The area is located along Damascus-Beirut highway in the province of "Damascus Reef (Rural)." [province as received]

Governor of the province Ali Zayyud described the new woods dedicated to the Sino-Syrian friendship as a fruit of the joint efforts of the Chinese Embassy in Damascus and his province.

Chinese Ambassador to Syria Chang Chen and 40 Chinese diplomats in Damascus took part in the activity.

Also participating in today's tree planting were Syrian Environment Minister 'Abd al-Hamid Munajjid and several Syrian officials of the host governorate and the Syrian Environment Ministry.

Governor Zaiyoud and Chinese Ambassador Chang underlined that the foundation of this forest symbolizes the friendship between China and Syria.

The Sino-Syrian Friendship Woods cover an area of 50 hectares where olive, pine and pistachio trees grow.

Sub-Saharan Africa

Spokesman Urges South Africa To Free Mandela

HK0602050290 Beijing XINHUA in English
0325 GMT 5 Feb 90

["China Urges South African Authorities to Abolish Apartheid System"—XINHUA headline]

[Text] Beijing, February 6 (XINHUA)—China hopes that the South African authorities will unconditionally free South African black leader Nelson Mandela as soon as possible and abolish the apartheid system for good, a Chinese Foreign Ministry Spokesman said here today.

The spokesman said this when asked to comment on the South African president's announcement that he would

lift bans on the African National Congress and other organizations and soon free unconditionally Mandela.

The spokesman said that "we have taken note of the relevant reports. This is a welcome development. Of course, we shall judge them by their deeds, not just by their words."

"We hope that the South African authorities will not only truly keep their words and unconditionally free Nelson Mandela as soon as possible, but also abolish the apartheid system for good and earnestly start talks with black representatives at an early date," he said.

Government Helps Congo Open Maternity Wards

OW0502042990 Beijing XINHUA in English
0226 GMT 5 Feb 90

[Text] Brazzaville, February 4 (XINHUA)—Two new maternity wards with 80 beds each were opened today in Makelekele and Talangai hospitals in Congo.

The new maternity wards will help improve health conditions for mothers and newborns in the country. A lack of maternity wards in hospitals, results in the deaths of six of every 1,000 pregnant Congolese women each year.

Sixteen Chinese gynecologists from a 31-member Chinese medical mission are working in the two hospitals in accordance with a protocol signed by the Congolese and Chinese Governments for 1989-1991.

West Europe

Vice Premier Wu Xueqian Meets UK Party Leader

OW0502083490 Beijing XINHUA in English
0824 GMT 5 Feb 90

[Text] Beijing, February 5 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with Dr. David Owen, leader of the Social Democratic Party of Britain, here today.

They had a friendly conversation.

British Businessman Seeks Expanded Trade

OW0602083390 Beijing XINHUA in English
0748 GMT 6 Feb 90

[Text] London, February 6 (XINHUA)—Lord Sharp of Grimsdyke, president of the Sino-British Trade Council (SBTC), starts his four-day visit to Beijing on Tuesday in a bid to expand trade with China.

Trade relations between China and Britain will be the major topic of the visit, arranged and hosted by the China Council for the Promotion of International Trade, according to the press release from the SBTC, the area advisory group for the overseas trade board of the government's trade department.

Lord Sharp, who is also chairman and chief executive officer of British Cable and Wireless Company, was quoted in the press release as saying business with China "does and will continue."

"It would be an error to think that anyone would benefit if we relaxed our efforts in China," said Lord Sharp.

He added that "we are glad to see that China is continuing an open policy in relation to trade and that trade between Hong Kong and China is continuing apace."

According to the SBTC, British companies, which have 400 million pounds (676 million dollars) export business to China, are well placed to supply equipment and technology needed by China.

Political & Social

Song Jian Inspects Shandong Cellophane Factory

OW0202012490 Beijing Television Service in Mandarin
1100 GMT 29 Jan 90

[From the "National News Hookup" program]

[Text] On the second day of the first lunar month, in Weifang, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, called on staff members and workers persisting in production during the Spring Festival. Comrade Song Jian came to the biggest cellophane factory in China and shook hands with the workers there. He inquired of the workers about their working and living conditions, and expressed solicitude and appreciation for their persistence in production to create more economic benefits.

Li Ruihuan Fujian Secretary Tour Shishi City

HK0502153090 Beijing ZHONGGUO XINWEN SHE
in Chinese 1327 GMT 5 Feb 90

[Report by Li Jiancheng (2621 1696 2052): "Li Ruihuan's Inscription for the People of Shishi City—'Sum Up Experiences and Seek Progress Through Arriving At Facts'"—ZHONGGUO XINWEN SHE headline]

[Text] Quanzhou, 5 Feb (ZHONGGUO XINWEN SHE)—On 4 February CPC Central Political Bureau Standing Committee member Li Ruihuan, accompanied by Secretary of Fujian Provincial CPC Committee Chen Guangyi, Quanzhou City CPC Committee Secretary Zhang Mingjun, and others, toured Shishi [4258 3740] City, a famous overseas Chinese residential area, where he greeted the people of Shishi City with the following inscription: "Sum up experiences and seek progress through arriving at facts."

On arriving in Shishi City by car, Li Ruihuan immediately commenced a tour of a vest garment factory, the Xinhui Industrial Area, Xinya United Handbag Company, and Shishi market. He remarked pleasantly: Shishi is so small, yet there are many enterprises producing many products and occupying many markets across the country. This is quite an accomplishment.

At noon, Li Ruihuan, having listened to a work report by Shishi City Mayor Liu Chengye, pointed out that "the fact that Shishi" has been able to continue to expand opening up, develop the economy, and encourage culture amid the crackdown on pornography and a variety of vices, has proved the correctness of the decisions by the party's central authorities. The decisions have answered the needs of the wide masses of the people and fulfilled the wish of overseas Chinese compatriots." He wished Shishi bigger and better achievements and that it become a model for reform, opening up, economic development, and cultural prosperity.

Lastly, Li Ruihuan asked the Shishi City government to give his New Year greetings to the Shishi people on his behalf.

'Sources' on Latest Round of Party 'Purges'

HK0302014190 Hong Kong HONGKONG STANDARD
in English 3 Feb 90 p 6

[By Cheung Po-ling in Beijing]

[Text] The Chinese Communist Party (CCP), in the latest round of purges, has started a "membership reregistration" drive to get rid of unreliable members.

According to sources in Beijing, the CCP's organization department will scrutinise all members, especially in connection with last spring's pro-democracy demonstrations in Tiananmen Square.

The CCP launched the drive shortly before the Spring (Lunar New Year) Festival.

At present, the purge has been confined to certain sectors: government departments, the mass media and labour unions.

"The authorities wish to conclude the whole reregistration exercise in the first half of this year," said the sources.

During the appraisal of membership, party members have to reveal their ideological stand and their role in the student led demonstrations.

The drive was originally meant to be a nationwide campaign.

But it was launched first in areas where pro-democracy protests were widespread last spring.

During the pro-democracy protests, a number of party organizations and officials wrote and distributed anti-party leaflets.

In the leaflets they publicly expressed their opposition to the party's Central Committee.

Some party officials walked in the front ranks of the demonstrations. Others threatened to quit the party.

In a strongly-worded speech delivered last August Song Ping, member of the Politburo Standing Committee and head of the organization department, hinted at an internal purge.

He said the dismissal of former party general secretary Zhao Ziyang and his closest adviser on political reform, Bao Tong, had not been sufficient.

The party, with a membership of 48 million, had to be purged, he said.

Mr Song also said a major problem now facing the leadership was that some departments of the party were protecting people who had made mistakes during the turmoil.

Or they "were turning big problems (involved with the movement) into small ones and small ones to nothing," he said.

"The re-registration is necessary as leaders and members of most labour unions do not follow instructions on self-criticism or inform on their colleagues," the sources said.

There have been reports that party members took a passive attitude at self-criticism sessions.

They were said to have paid lip-service only to the current "anti-bourgeois liberalization campaign".

Sources said that in the re-registration process, party members who had "committed mistakes" last June would be given a warning, removed from party posts or even dismissed from the party.

It was also learned that the purge would begin in the most "troubled spots", such as Beijing, Shanghai and Guangzhou.

Collection of Articles by Bo Yibo Published

OW0402123290 Beijing Television Service in Mandarin
1100 GMT 30 Jan 90

[Announcer-read report; from the "National News Hookup" program]

[Text] A book entitled "Leaders, Marshals, and Comrades-in-Arms" by Comrade Bo Yibo, vice chairman of the Central Advisory Commission, has been published by the press of the Party School under the CPC Central Committee.

The book is a collection of 20 articles written by the author over the past few years recalling Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, Ren Bishi, Peng Dehuai, Liu Bocheng, He Long, Chen Yi, Ye Jianying, Li Fuchun, and others. [As announcer reads report, a still picture of the book cover picturing Mao, Zhou, Liu, and Zhu standing and chatting among themselves is shown in the background]

Science & Technology

Li Peng Praises Satellite Launching

OW0502142290 Beijing Television Service in Mandarin
1100 GMT 5 Feb 90

[Announcer-read video report, with recorded portions, by reporters Liu Jianghai (0491 3068 3189) and Zou Keqin (6760 0344 0530); from the "National News Hookup" program]

[Text] [Video opens with an unidentified male reporter in military uniform standing in front of several monitoring screens with numerical data and a map of China and the Pacific, and speaking with a microphone in his hand] Dear audience: This is the Beijing Command Center of the Commission for National Defense Science, Technology, and Industry. The launching of China's fifth applied telecommunications satellite has entered the final 30 minutes of preparations.

[While an unidentified female announcer reads the report, video shows clips of a white rocket standing on the launching pad, a brown 10-story building identified by a caption as the "Xian Telemetry Center," a large room with about two dozen computers and five large screens, a survey ship with a large antenna in the ocean, workers in military uniform working with various equipment, and scientists and engineers dressed in white laboratory gowns attending lectures.] Telecommunications have already been established between the Beijing Command Center, the Xichang Launching Center, the Xian Telemetry Center, the Yuanwang Space Survey Ship, and all observation posts throughout the country. In order to ensure a successful launching of China's fifth applied telecommunications satellite in the first spring of the 1990's, the workers, cadres, and PLA and fighters on the national defense scientific and technological front have given up family reunions during the Spring Festival. They have stood fast at their posts in the launching, testing, controlling sites, and making scrupulous preparations for the launching of the satellite.

[As the announcer pauses, video shows the rocket igniting and lifting off; a caption says: "At 2027 on 4 February 1990, China successfully launches its fifth applied telecommunications satellite." Then, the camera cuts to show Li Peng shaking hands with Ding Henggao, minister in charge of the Commission for National Defense Science, Technology, and Industry, and being escorted by the latter to a large room. Li Peng is seen watching the monitoring screens together with Liu Huaqing and Zou Jiahua, as well as other officials dressed in both military and civilian clothes.]

In the evening, Premier Li Peng, Vice Chairman Liu Huaqing of the Central Military Commission, State Councillor Zou Jiahua, and Chief of General Staff Chi Haotian watched the satellite launch on the spot at the Beijing Command Center or at the Xichang Launching Center. When the monitoring screen showed the satellite being sent into elliptical orbit by a rocket, Premier Li Peng said with delight: The successful launching of the fifth applied telecommunications satellite proves that China's space transportation and telemetering technologies and launching capacity are mature enough to provide launching services for the international market.

[Camera shows Li standing before a microphone and speaking to about 200 people in the same room where he watched the launching] I am extremely pleased and would like to congratulate and thank all Liberation Army commanders and fighters, who have taken part in the

launching, as well as comrades of the central departments and commissions, who have provided the logistic support." [Video ends with the audience applauding Li Peng]

Bureau Director Notes Environmental Improvements

OW0402150790 Beijing XINHUA in English
1437 GMT 4 Feb 90

[Text] Beijing, February 4 (XINHUA)—The deterioration of the environment in China has been checked in the last decade and some areas showed improvement, according to the State Environmental Protection Bureau.

The conclusions were based on analysis of millions of data provided by environmental monitoring stations, the bureau reported.

The Chinese Government has made the following efforts in the last decade:

- making environmental protection a basic national policy and raising the national awareness of it;
- promulgating the environmental protection law and a series of regulations and policies; and
- establishing 4,000 monitoring stations which provide millions of data on the quality of the atmosphere and water.

In the past decade, China closed or moved over 10,000 industrial enterprises which seriously polluted the environment, set up 1,200 smoke and dust control zones, completed 63 urban sewage treatment plants, exercised control over motor vehicle noise and designated 4,000 nature reserves across the country.

On the environmental protection work in the 1990s, Qu Geping, director of the State Environmental Protection Bureau, said that the bureau will formulate and adopt new measures to remarkably improve the environment. He expects "the sky will become bluer and water cleaner" by the end of the century.

Government To Promote Technological Advance

OW0402000690 Beijing XINHUA in English
1501 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—China will make great efforts to promote the technological advance of its industry to enable the national economy to develop steadily, a government official said here today.

Cai Dalie, director of the Department of Science and Technology under the State Planning Commission, at a press conference here today, said China will choose 300 key enterprises and concentrate funds and human resources to promote their technological advance.

Cai said some of these enterprises will edge into the international market with improved and high-quality products after technical transformation.

He said that next week the State Planning Commission will convene a national conference on technological

advance at which specialists and government officials will discuss methods to promote technological advance.

Some representative enterprises will pass on experiences in saving energy and raw materials, developing new products, assimilating imported technology and raising the quality of products, he said.

The electronics industry will be the strategic focus of technological advance in the next decade because it plays a vital role in promoting technological standards for other industries.

Reviewing the achievements China has made in transforming enterprises in the past 10 years, he said, China has sped up the importation of advanced technology while relying on itself in revamping enterprises.

Progress in technological transformation has been reported by some key state enterprises. Anshan Iron and Steel Company, the largest in the country, produced eight million tons of steel in 1988, two years ahead of schedule, by making big efforts in developing and importing technology.

The Daqing Oilfield, the largest in the country, has set a target for another 10 years after pumping 350 million bbl of crude oil between 1977 and 1986.

Military

Jiang Zemin Visits Fujian Army Company

HK0502131390 Beijing JIEFANGJUN BAO in Chinese
27 Dec 89 p 1

[Report by Zheng Zongqun (6774 1350 5028) and Liu Shengdong (0491 5116 2639): "Chairman Jiang in the Company"]

[Text] At 1450 on 23 December, the sun was shining. A light-colored vehicle was slowly heading for the sports ground of the Jing Dao [6226 6148] Company under a certain army unit stationed in Fujian. A stalwart leading comrade in light grey tunic and trousers alighted from the vehicle. At first glance, the cadres and soldiers recognized that he was Chairman of the Central Military Commission Comrade Jiang Zemin.

Chairman Jiang walked with vigorous strides to the formation and shook hands with company and platoon cadres one by one, saying: "You comrades have been working hard!" "You comrades have been working hard!"

After having a group photo taken with officers and men of the company in high spirits, Chairman Jiang introduced responsible comrades from the party Central Committee and the State Council who accompanied him on the visit, and conveyed sincere greetings on behalf of the CPC Central Committee, the State Council, and the Central Military Commission to all officers and men who defended the frontier. Waving his hand, he said: "I

notice you have done a good job in defending the motherland's frontier. Our economic construction must be able to advance full steam ahead, and our country further become thriving and prosperous."

When Chairman Jiang's car was slowly leaving the company, the cadres and soldiers, being reluctant to part with him, chanted in a loud voice: "Thank you, leading cadres!" "See you, leading cadres!" Opening the car window and sticking out his body, Chairman Jiang said loudly: "See you again, comrades!" and waved goodbye affectionately.

Later, Chairman Jiang arrived in drizzle at a sentry post on a high mountain to visit ground force and navy soldiers who mount guard there year in year out. When the soldiers asked Chairman Jiang to write an inscription, he nodded agreement readily and walked leisurely to the table on which paper had been laid. He picked out a writing brush among several of them, big and small, and wrote down 12 characters: "Mounting guard up above the cloud, and having in mind the great cause of reunification." Amid warm applause, Chairman Jiang had a group photo taken with the cadres and soldiers for the occasion, and sincerely encouraged the soldiers to perform their duties properly.

"Chairman Jiang has been to our company!" After Chairman Jiang left, the officers and men of the above company and those working at the sentry post shouted and jumped for joy and ran around spreading the news. Gao Zhengju, a volunteer soldier who came back to the company after a home visit on the evening of the 22d, told us excitedly: "I came back to the company three days in advance, and the next day Chairman Jiang granted an interview to officers and men of the company and I joined them. I was really lucky! Chairman Jiang came to visit our company in the thick of things. This shows his solicitude for officers and men of the whole army." Zhu Xuewu happened to be on duty that afternoon and failed to have a picture taken with Chairman Jiang. After he went off shift, he busied himself by asking his comrades-in-arms about the interview in detail. He said: "Chairman Jiang granted an interview to our company, I also share the honor. Though I am not in the picture, I must have one in my collection."

Qin Jiwei Writes on Defense Education

HK0602025990 Beijing JIEFANGJUN BAO in Chinese
30 Dec 90 p 1

[Report by Fan Hao (2868 8504) and Qin Hua (4440 5478): "Qin Jiwei Contributes Article to First Issue of GUOFANG, Stressing Need to Strengthen National Defense Education and Promote Modernization of National Defense"]

[Text] Beijing, 29 Dec—In an article contributed to the first issue of GUOFANG, a magazine run by the Academy of Military Science, General Qin Jiwei, member of the CPC Central Committee's Political Bureau, state councillor, and defense minister, pointed

out that it is a pressing task concerning state security and national prosperity to strengthen national defense education and promote modernization of national defense in the new situation.

Qin Jiwei pointed out that the world today is by no means tranquil and the danger of war still exists. The anti-communist international forces are always trying to apply the counterrevolutionary dual tactics of military threat and "peaceful evolution" against us. We must heighten our vigilance against this. Viewed from the practice of the struggle to curb the turmoil and quell the counterrevolutionary rebellion, conducting education in national defense among the broad masses, young people in particular, in times of peace and fostering the spirit of patriotism and being vigilant in peacetime constitute an important work to guarantee long-term stability of the state and protect the socialist motherland against invasion and subversion.

To successfully promote national defense education, Qin emphatically pointed out, it is necessary to first strengthen organizational leadership. The party organs at all levels should seriously study instructions of the CPC Central Committee, State Council, and Central Military Commission on attaching importance to and strengthening national defense education and building, and pay attention to implementation in connection with reality of each locality and unit. Servicemen and the people's armed departments should give full play to their backbone role, serve as advisors to the local party committee and government, and promote national defense education among the people in close cooperation with the local departments.

The contents of national defense education should be reformed, Qin said, to meet the needs of the times. First, patriotism should be the theme of national defense education. We should teach the broad masses to ardently love the motherland, party, socialism, and the people's army. Second, popularizing national defense knowledge should be regarded as the essential contents of national defense education. Third, enhance study of the theories of modern national defense and seriously study the theory of state and concepts of national defense and war of Marx, Lenin, and Mao Zedong, and the theories of Comrade Xiaoping on strengthening national defense education and building. Fourth, strengthen legislation of national defense education. Fifth, give full play to the role of propaganda and the media, and apply vivid and specific materials and means to popularize national defense education.

Lastly, Qin Jiwei emphasized that with the people of the whole country concerning themselves with national defense and participating in national defense propaganda and building, we will certainly be able to reinforce the iron wall of the people's republic.

RENMIN RIBAO Commentary on Army Support

*HK3001010990 Beijing RENMIN RIBAO in Chinese
19 Jan 90 p 3*

[Commentator's Article: "On This Festive Occasion, People Think About Their Loved Ones More Than Ever—Do a Good Job of This Year's Work of Supporting the Army and Giving Armymen's Dependents Preferential Treatment and Supporting the Government and Cherishing the People"]

[Text] "Every time there is a festive occasion, people think about their loved ones more than ever." As the Spring Festival approaches, the people think of the fraternal soldiers. The fraternal soldiers think of the people. The work of supporting the Army and giving armymen's dependents preferential treatment and supporting the government and cherishing the people has once again become very important.

Supporting the Army and giving military dependents preferential treatment and supporting the government and cherishing the people is a fine tradition of our party and Army. Since last year's political storm, this work has been done even better. Since the suppression of the riot, the masses of people have further realized: "Without the People's Army, the people would not have everything." The masses of commanders and fighters of the PLA and the Armed Police units have also further realized that without the correct leadership of the party and the resolute support of the masses of people, there would be no victory for the Army. Given the unity between militarymen and civilians and between the Army and the government, a gratifying phenomenon has appeared.

The fight to win state power relies on the People's Army. The safeguarding of state power also relies on the People's Army. This is a fact. If it is said that people for a time had an inadequate understanding of this, then the turmoil and the counterrevolutionary riot have provided people with a profound lesson. Facts have educated the people. At a crucial life-or-death moment for the republic, the PLA remained loyal to the party and to the people, discharging the sacred mission vested in it by the Constitution and suppressing the riot at one stroke. In a speech to receive cadres at and above the Army level of the capital's martial law units, Comrade Deng Xiaoping spoke highly of this. He said: "The Army remains true to being the fraternal soldiers of the people. This character has stood the test." Now martial law has been lifted in Beijing. Our political situation is stable. The people are living and doing their business in peace. The national economy is developing in a healthy direction in the process of improvement and rectification. The situation is gratifying. But as far as the stability of China and the prosperity of China are concerned, not everyone is happy. The international reactionary forces' strategy calling for "peaceful evolution" does not change. An extremely small number of hostile elements and people stubbornly upholding bourgeois liberalization continue dreaming the dream of "changing the world." Acting in

collusion with people inside and outside, they do not hope for an end to turmoil in China. Therefore, the Army and the people must strengthen unity and maintain a high degree of revolutionary vigilance. At present, stability counts more than anything else. As long as stability is maintained, given several decades of steady development, China will also undergo fundamental changes. An important factor in maintaining stability is that our Army has a strong force made up of PLA units and Armed Police units. Only by further strengthening the unity between soldiers and civilians and between the Army and the government can a stable political, economic, and social environment be maintained, which will enable the people of the whole country to concentrate on building socialism in an environment of stability. Our socialist land is what the Chinese people and the fraternal soldiers have spent several decades and sacrificed several tens of millions of people fighting to bring into being. Anyone who wants to effect "an evolution" or "to change the world" will never succeed. Since we can build in China a socialist system, we can also surely make socialist China powerful.

The soldiers love the civilians. The civilians support the military. Unity between the military and civilians and between the Army and the government is a political advantage in our country. The People's Army has not only bravely and fearlessly safeguarded state power but also actively participated in socialist construction. In the past 10 years, the PLA has put in 180 million work days in state construction and gotten involved in and supported many state priority construction projects. It has played the role of a shock force in providing disaster relief and coping with emergencies. To strengthen unity between soldiers and civilians, some PLA units have called for "treating the people as fathers and mothers and regarding the area where they are posted as their hometown." For that matter, the party authorities and governments of various areas and the masses of people have also solved many difficulties for the Army and made great contributions. Typical models of supporting the Army and giving military dependents preferential treatment can be found in many areas, such as Zhuhai in Guangdong, Xuzhou in Jiangsu, Changdao in Shandong, Benxi in Liaoning, Liuyin Street in Beijing, and so forth. Such examples are plentiful. Supporting the Army and giving military dependents preferential treatment and supporting the government and cherishing the people have become the conscious actions of the masses of people and troops.

In the new historical period, given reform and openness, despite many changes in the situation, the principle of unity between soldiers and civilians cannot be changed. In line with the features of the new era, we must continuously enrich and develop the content and pattern of the program for supporting the Army and giving military dependents preferential treatment and supporting the government and cherishing the people. The campaign for soldiers and civilians to team up in building spiritual civilization and in the campaign to

learn from Lei Feng launched in recent years have produced very good results. The period of the Spring Festival provides an extremely good opportunity to start the work of supporting the Army and giving military dependents preferential treatment and supporting the government and cherishing the people. Local comrades, in particular, must take the initiative to solicit the views of Army units and help the troops stationed there and the dependents of soldiers and revolutionary martyrs in solving actual problems, enabling the work of supporting the Army and giving military dependents preferential treatment to show actual results.

This year's Spring Festival is the first spring of the 1990's. The Spring Festival must be spent jubilantly, in peace and in a civilized manner. The party and the government have traditionally paid attention to this traditional festive occasion and used it to start a series of activities. Supporting the Army and giving military dependents preferential treatment is such an activity. This activity must be handled much better than in previous years.

Article Urges Readiness for War

HK3101032790 Beijing JIEFANGJUN BAO in Chinese
12 Jan 90 p 3

[Article by Sun Meisheng (1327 2734 3932), Wu Guokai (0702 0948 0418), and Yin Wenyong (1438 2429 0645): "It Is Still Necessary for the Army To Stress Preparations Against War"]

[Text] "Though peace prevails in the world, it is surely dangerous to forget war." This famous saying is still worth pondering to date. The existence of states means there are interest contradictions among them; the existence of troops means that war has not been eliminated. Since the international situation is changeable, armed forces should not discard the idea of preparing against war.

Strategists say: In the wake of growing detente in the world, there will be no more major wars this century. This is an analysis of the world's general trend. In recent years, the strategists in all countries have seemingly been saying so in unison, but no armed forces have, as a result, relaxed their defense preparations. They have not lost sight of their targets of confrontation, still less have they put the weapons back in the arsenal and grazed the war horses on the hillside.

Diplomats say: The international situation has moved from "confrontation" to "dialogue." This tactical analysis of the practical environment cannot be used by military personnel as a basis for their conduct.

The inevitable trend of historical development can be traced despite the existence of many unexpected things. It is therefore scientific to observe the world with a developing and changing perspective. It is not so appropriate even if we try to understand today's world with the

conclusion on the international situation drawn by academics 1-2 years ago. There is no great possibility that a world war will break out in the future but, since this is an eventful period, the world is not so tranquil.

After a strategic change has been effected in the guiding idea of our army building, it is necessary to have a long-term plan in army building and to change the contingency method of stressing only short-term effect. However, "building" is closely related to "fighting."

Army building, including the forms of group organization, development of equipment, cultivation of competent personnel, and military training, has clear objectives. If we do not know how to "fight," how do we know how to "build"? If we know neither the future targets of confrontation nor what war to fight, there will blind actions in reform and construction. If we do not have the idea of preparing against war, it will be difficult to kindle soldiers' sentiment of dedicating themselves to, and loving the country.

Over the past few years, there have been some "motivation crises" on the training ground. To solve this problem, many leaders have come up with a few ideas. However, if the idea of serving as "peace soldiers" and building "peace army" is not solved, it is difficult to thoroughly solve the question of motivation.

When stressing preparations against war, we should conscientiously grasp various aspects of this work and enforce the system of war preparedness. Some years ago, we often used camp and field training to examine the combat readiness of our troops and to improve the relationships between the army and government, between the Army and people, and between the officers and men. This fine tradition should be carried forward. If our troops stay in the barracks for a long time with a slackened willpower, it will be difficult to be prepared for danger in times of peace, and to train a combat style characterized by the ability to enforce orders and to make flexible and quick response.

When stressing preparations against war, we should pay attention to regular education in war preparedness. In conducting spiritual education among troops and soldiers, there should be some "smell of gunpowder." Indeed, the previous educational method of exclusively using the situation to stimulate soldiers is unworkable now. In our education we must stress the function of troops and the concept of state interest. Moreover, we should also talk about the "situation" in a dialectic way. The situation around us and the international situation are very complicated and, therefore, far from having nothing to say, we should pay attention to the question of how to thoroughly explain the situation in a scientific way.

When stressing preparations against war, we should step up, in terms of academic theory, the forecasts and studies of future flash events and partial wars. In recent year we have conducted some studies in this field, but specific details have not been worked out and made

clear. We have not developed this into a mass activity, which makes it difficult to create a theoretical environment. In fact, only by making clear theoretically that the threat of war has not been eliminated and that partial wars have set higher demands on army building is it possible to be prepared for danger in times of peace and always be on the alert.

Economic & Agricultural

Special Economic Zone Meeting Opens in Shenzhen

HK0602042590 Hong Kong MING PAO in Chinese
6 Feb 90 p 8

["Special dispatch": "A Conference on the Work of the Special Economic Zones Is Held in Shenzhen; Central Authorities' Plan To Increase Special Economic Zone Taxes Is the Focus of Attention"]

[Text] According to a report from Shenzhen, beginning yesterday, a national conference on the work of the special economic zones will be held in Shenzhen Guesthouse for 4 consecutive days to study all questions with which all special economic zones are confronted as well as the plan for future development. However, an official of the department for the preparation of this conference declared that this conference would merely focus on internal work and would, therefore, make no policy decision whatsoever.

Yesterday, State Council Vice Premier Tian Jiyun presided over the first day of the conference and gave a report. It was disclosed that in his report, Tian Jiyun reiterated that the central authorities' policy of reform and opening up toward the special economic zones would remain unchanged and demanded that all special economic zones further do a good job in improvement and rectification and explore the way to deepen reform in the future. The report, however, does not deal with any substantial questions.

This conference of the special economic zones is the road to happiness being strewn with setbacks. According to the report, the conference was originally scheduled to be held in the second half of last year but, due to the "June 4" impact and the sudden change in Eastern Europe at the end of last year, the Chinese top-level arrangements were disrupted, resulting in the conference being delayed time and again. The conference originally scheduled to be held in the 1980's has been put off to the 1990's.

Since the "June 4" incident, the practice of economic curtailment has been spread all over the vast divine land [poetic name for China]. While the central authorities are implementing the policy of planned economy, how the special economic zones carry out reform and whether or not they can maintain the distinctive character of "being special" are the questions to which the foreign investors and all people concerned with the development of the special economic zones will pay attention. Many

people, therefore, place great hopes on this national conference of the special economic zones.

It was revealed not long ago that the central authorities had planned to increase the taxes of all special economic zones to increase the state financial revenue so as to repay the foreign debts. This question has now become the focus of attention of the responsible persons of all special economic zones. It is learned that the Shenzhen City Government held many meetings on this question and invited the managers of all wholly foreign-owned enterprises and Sino-foreign joint ventures in Shenzhen to a forum to collect their views. At this conference of the special economic zones, it is prepared to do its best to state the drawbacks of an increase in taxes and to strive for the revocation of the central authorities' "demand" so that one side of the net can be left open.

To greet this conference on the work of the special economic zones, Shenzhen City Government has made good preparations. Two months ago, it completed drafting a special topic report for discussion at the conference. It is disclosed that this report puts forward some new plans for and suggestions on the future development of Shenzhen Special Economic Zone, the main contents of which include: The establishment of Shenzhen City People's Congress organization and the implementation of the policy of "relaxation in the first line, rigid management in the second line."

It is learned that a responsible person of Shenzhen Special Economic Zone made the special topic report at the conference yesterday, reporting the achievements in the development of Shenzhen Special Economic Zone in recent years and the impact after "June 4" and putting forward some suggestions on the specific work for the future development of Shenzhen.

Attending this conference on the work of the special economic zones are responsible persons of the departments concerned, including the Special Economic Zones Office of the State Council, Ports Office, State Planning Commission, Ministry of Foreign Economic Relations and Trade, Ministry of Finance, Bank of China, General Administration of Customs, and border defense department and the principal responsible persons of Guangdong and Fujian Provinces and Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan Special Economic Zones, totaling some 70 people.

An official of the committee for the preparation of the conference declared that as this conference was a "brief meeting" for the exchange of information and summation of work, it was a conference on internal work and that all contents under discussion at the conference would be reported to the State Council and would be decided subject to the executive meeting of the State Council. No important decisions whatsoever or promulgation will, therefore, be expected at this conference.

According to the agenda of this conference, the responsible persons of the other special special economic zones will make special topic reports one after another and

then group discussions and study will be conducted. Tian Jiyun will make a summing-up report at the closing ceremony of the conference on 8 February.

Wang Bingqian Views Economic Results

OW0602042490 Beijing XINHUA Domestic Service in Chinese 0852 GMT 5 Feb 90

[Report by reporter Wu Jincai (0702 6930 2088)]

[Text] Beijing, 5 Feb (XINHUA)—The Ministry of Finance today invited a number of experts and scholars from economic circles to study the evaluation and standards of economic results and other related matters. Wang Bingqian, state councillor and minister of finance, pointed out that not only should economic departments and the various enterprises pay attention to the question of raising economic results but, more importantly, the concept should be fostered in all people's minds.

Wang Bingqian said: In regard to questions on the significance of economic results and how to raise economic results, a pressing matter at the moment is to have a clear understanding of the basic concept and meaning of economic results. He pointed out: At present all production units, construction units, and circulation, and other nonmaterial production departments in the country have the task of raising economic results while paying attention to related matters.

Wang Bingqian pointed out: In order to raise economic results, we should not only attach importance to micro-economic results but also to macro-economic results. From the state and government point of view, we should now pay more attention to macro-economic results because they are more important in making decisions. Proper arrangements for developing the entire national economy, reasonable allocation of productive forces, rational utilization of natural resources, implementation of the various individual projects, and coordination in proportional relationships will help us achieve maximum benefit. On the other hand, poor arrangements will result in great waste, including invisible and intangible waste. Wang Bingqian also called for paying attention to raising social benefits and transforming them to things that may help raise economic results.

At today's discussion meeting, noted experts and scholars including Song Tao, Ji Chongwei, Xue Baoding, and Xu Yi enthusiastically discussed matters concerning economic results and on matters concerning their evaluation in the production, construction, circulation, and other fields in recent years in our country; the standards in their evaluation; the relationship between macro-economic results and micro-economic results; the impact of economic decisions, policies, systems, and mechanisms on economic results; and the focus in the work of raising economic results in the course of improving the economic environment and rectifying the economic order.

Major Problems Facing Economy Cited

HK0602103390 Beijing CEI Database in English 0842 GMT 6 Feb 90

[Text] Beijing (CEI)—Though China has made remarkable progresses in curbing over-heated economy and inflation, some new problems cropped up.

These problems were manifested in the following four aspects:

1. The sluggish market affected normal social reproduction. Last year's total social retail sales volume was only 810.1 billion yuan. Since the summer of 1989, market sales dropped sharply. The social retail sales volume from August to September dropped continuously, with only a slight increase in December. Sales were a merely 8.9 percent up over the previous year and a fall of 7.7 percent when taking the inflation into consideration. This is something unprecedented for the past 27 years.

Meanwhile, the sales volume of national production materials was also reduced by 0.8 percent, which represented an actual decrease of 18.2 percent when taking the price rise into consideration, to 234.2 billion yuan.

Causes attributed to the sluggish market include the national environment to curb demand and the unbalanced demand and supply caused by inappropriate production structure.

2. Temporary problems rose in industrial production. The government's retrenchment policy followed by the sluggish market had not caused speedy changes by the manufacturers. Poor sales, stockpiling accumulated debts for many enterprises and affected normal production. Many of them suspended production or operated at half capacity. The industrial production in October dropped by 2.1 percent, and though slight rises were recorded for November and December, production was still unstable and slow in growth.

3. Enterprises' profit dropped—due to sluggish sales, slow down of industrial growth and the poor management, profits dwindled conspicuously. In 1989 the budgeted state-owned industrial profits and taxes were 155.9 billion yuan, 0.2 percent up over the previous year (including a 18.8 percent drop of profits to 57.4 billion yuan and 16 percent increase of taxes to 98.5 billion yuan). The number of enterprises with deficits doubled and the comparable products' costs went up by 22.4 percent. At the end of December, capital occupied by products and finished products increased by 39.1 billion yuan as compared with that at the start of the year.

Meanwhile, commercial departments reaped less profits and taxes in 1989. They went down by 37.9 percent to 7.74 billion yuan, and enterprises with deficits suffered an additional 43 percent losses.

4. Unemployment looms large—as enterprises were affected by the sluggish market, some workers' actual income dropped. At the same time, low production in enterprises and slow development of self-employed businesses have hemmed in on employment opportunities.

The unemployment in cities and towns rose to 3 percent from the previous year's 2 percent. And it will remain a tough problem in 1990.

Circular Urges Enterprises To Raise Efficiency

OW0502125790 Beijing XINHUA in English
1140 GMT 5 Feb 90

[Text] Beijing, February 5 (XINHUA)—Chinese enterprises should speed up technical transformation, perfect operations and improve management to help overcome low efficiency, four powerful government institutions urged here today.

In a circular released today, the State Planning Commission, the Ministry of Finance, the People's Bank of China and the State Statistical Bureau gave notice to Chinese enterprises that their poor economic performance must be improved.

Statistics from the State Statistical Bureau show that in 1989, China's industrial efficiency dropped and productivity achieved only marginal growth—an increase of 1.6 percent compared with the previous year.

Last year, production costs rose 20 percent in the majority of Chinese enterprises, due to price hikes for raw materials. The sales rate of interest and taxation of state-owned enterprises dropped from 19.3 percent down to 17.2 percent in 1989.

Foreign Trade Transportation Company Reviewed

OW0402125590 Beijing XINHUA Domestic Service
in Chinese 1204 GMT 3 Feb 90

[By reporter Zhang Yi (1728 3015)]

[Text] Beijing, 3 Feb (XINHUA)—The 50,000 staff members and workers of the China National Foreign Trade Transportation Corporation worked hard to overcome the effects of the turmoil and ensure smooth transportation of imported and exported goods. Last year, not a single delay in export transportation was reported.

The Foreign Trade Transportation Corporation is a large enterprise group specializing in foreign trade transportation. It is in charge of organizing the transportation of imports and exports by sea, air, and railway, multimodal transport, deliveries, and customs declarations. The turmoil last year presented some difficulties to foreign trade transportation. The staff members and workers of the corporation did everything possible to ensure smooth operations and their efforts won them praise from owners of cargo and foreign businessmen. According to statistics, units affiliated with the foreign trade transportation corporation shipped import and export goods totaling 7.5 million metric tons, of which 6,481,000 metric tons were transported by sea and some 10 million metric tons by railway. Progress was also made in air and truck transportation, storage, and shipping agencies.

In recent years, the corporation has worked hard to diversify and turn itself into an enterprise group and has steadily expanded its resources. At present, it owns nearly 100 vessels with a combined loading capacity of 1.5 million metric tons; it also has 6,000 trucks, more than 10,000 shipping containers, a number of specialized railway lines, and some private wharfs.

Last year, the corporation also handled 41,000 metric tons of air cargo and 800,000 express deliveries. It is China's largest air cargo agent.

'Important' Trade Readjustment Reported

HK0302030190 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1010 GMT 2 Feb 90

["China to Make Important Adjustment in Foreign Import and Export Structure"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 2 Feb (ZHONGGUO TONGXUN SHE)—The State Planning Commission is to make an important structural readjustment in imports and exports in 1990 and 1991; this is to change the excessive proportion of primary and intermediate products in exports, and the insufficient proportion of electric machinery products.

The State Planning Commission has proposed that the proportion of exports of electric machinery products and intensive processed products will be increased; exports of labor-intensive products will be organized actively, including light-industrial and textile products, processed farm produce, and building materials; and labor-intensive products with high additional value will also be actively encouraged, such as good-quality light-industrial and textile products, handicrafts, technology-intensive electric machinery products, and aeronautical and space products.

Exports of grain, cotton, crude oil, and finished oil, will be kept under strict control according to the national plan in 1990 and 1991; soya bean powder, plywood, tin ore, and aluminum products will be restricted; and exports of natural bezoar, musk, polonium, and yellow phosphorus will be strictly banned.

Imports of cars, motorcycles, and air-conditioners will be strictly banned in 1990 and 1991; imports of cigarettes, liquor, beverages, food, cosmetics, artificial fibers, and interior decoration materials will be restricted; and imports of color television sets, refrigerators, clocks and wrist-watches will also be gradually restricted.

Regulations Mandate Commodity Price Marking

OW0502224590 Beijing XINHUA Domestic Service
in Chinese 0912 GMT 5 Feb 90

[Text] Beijing, 5 Feb (XINHUA)—Cheng Zhiping, director of the State Administration of Commodity Prices, on 1 February signed the No 1 decree of his

administration promulgating the "Regulations on the Implementation of a System for Clearly Marking Prices of Commodities."

According to the regulations, all enterprises, fee collecting state agencies, institutions, organizations, and self-employed business people within the boundaries of the People's Republic of China will clearly mark the prices they charge when trading in commodities or providing services.

The prices of commodities shall be marked in red, blue, or green, depending on whether they are set by the state, fixed under the guidance of the state, or regulated by market forces. With the approval of provincial, autonomous regional, or municipal commodity price departments, price tags of one color may be used temporarily in areas where conditions have not yet matured enough [to permit the use of three colors]. A breakdown of charges will be given when services are provided. All price tags and price lists will clearly mark the fees in renminbi in Arabic numerals. Enterprises and institutions authorized to accept foreign exchange certificates will have price tags and price lists in foreign currencies.

Units and self-employed traders implementing the system of marked prices will ensure that their price tags and price lists are complete, accurate, and legible; that each price tag is for one type of commodity only; and that the price tags are displayed prominently. Prompt revisions will be made to reflect any price changes. Price tags will be produced under the centralized supervision of local price inspection agencies.

The regulations specify that price inspection agencies will mete out punishment in accordance with the "Regulations of the State Administration of Commodity Prices on Punishing Illegal Pricing," if prices are not marked according to the regulations, and if state-set prices or charges—including prices set by the state or fixed under the guidance of the state and the upper and lower limits on purchase prices—are not marked correctly. The same will apply when production and wholesale enterprises fail to indicate the ex-factory prices, purchase prices, or wholesale prices on their sales invoices and bills of merchandise.

The regulations take effect on 1 March 1990.

Advanced Enterprises To Get Special Treatment

OW0602034290 Beijing XINHUA Domestic Service
in Chinese 1254 GMT 4 Feb 90

[By reporter Jiang Zaizhong (1203 0961 1813)]

[Text] Beijing, 4 Feb (XINHUA)—In order to promote technological progress in enterprises, the state this year will designate a number of technologically advanced businesses from among large- and medium-scale enterprises throughout the country for preferential treatment.

This reporter has learned from the State Planning Commission that a technologically advanced enterprise must have an overall high economic efficiency, the ability to develop technology, and a sound mechanism for promoting technological advancement. In addition, such an enterprise must stress product quality, and its products must be quite competitive. The state will give priority assistance to such an enterprise in arranging technological imports, developing new products, carrying out technological innovations, and extending special loans.

According to a leading official of the State Planning Commission, China's industry has expedited the import of technology and equipment while relying on its own efforts in the decade since the policies of reform and openness were carried out. This has led to great successes in the technological advancement of enterprises. However, China still has to improve the overall technological level of its industry. The state's preferential treatment for technologically advanced enterprises is designed to spur technical progress in some enterprises, at a time when the nation's industry is generally still technologically backward. By promoting technical strides in some enterprises, the preferential policy hopes to encourage other businesses to rely on technological progress in developing production.

Report on Industry's 'Waning Efficiency'

HK0602021290 Beijing CHINA DAILY in English
6 Feb 90 p 4

[By Chen Xiao and Zhang Xiaogang: "Industry Efficiency Plumbs New Depths"]

[Text] Rolling up their sleeves after celebrating the traditional New Year, the Chinese people have begun the second year of the nation's economic retrenchment program.

They have come to face the harder problems after they achieved a preliminary success last year by bringing the once run-away inflation under control. A most serious problem is industry's waning efficiency.

The Communist Party Central Committee's plenary session last November recognized the problem as "a fatal weakness in the country's current economic development."

According to data provided by Zhou Shulian from the Institute of Industrial Economics of the Chinese Academy of Social Sciences, industry's efficiency started to decline in 1985.

Enterprises' contribution to State revenue as compared with the latter's funding that they received decreased from 24.2 percent in 1984 to 20.63 percent in 1988.

And the rise in their costs increased from 2 percent to 15.9 percent during the same period, Zhou reported.

The aggregate financial losses incurred by enterprises running at a deficit grew from 3.4 billion yuan in 1984 to 11.6 billion yuan in 1988.

Despite the central leadership's readjustment in 1989, the deterioration of efficiency continued.

According to the State Statistics Bureau, 19 percent of the industrial enterprises under the State budget were in red last year, compared with 13 percent in 1988.

The growth in the number of money-losing enterprises is only an indication of a more widespread decrease in industry's profit. There are cases where an entire trade cannot make much profit (the energy industry, for example).

According to the State Statistics Bureau, Taxes and profit turnover from State-owned industry rose only 0.2 percent in 1989 against the previous year.

If industry's efficiency, especially that of the State-owned large firms, continues to be eroded, it would be hard to act as the leader of the entire economy's development.

At this rate, no matter how the government adjusts, the economic retrenchment programme would fail to achieve its purpose.

Factors contributing to the inefficiency of State-owned industry may be explained on both micro-economic and macro-economic levels.

On the micro-economic level, Chinese enterprises are used to the idea of continually supplying to a market where there was a shortage of nearly all daily necessities. As a result, they did not have to bother or even think of their quality and varieties.

For instance, all garment-makers turned out the same style and quality of dacron shirts for years and did not have to worry about a decrease in profit. No longer now. The past 10 years of economic reform has provided enough daily goods for the people, particularly urban families—leaders of the nation's consumers. Society's demand for industrial products has changed.

At the same time, more factories have been built, and competition has become a regular feature.

With new residential houses mushrooming in both urban and rural areas, many factories have thought of producing carpets and other home decoration materials.

It might have become a smart decision at the beginning. But it must now appear stupid when 20 million square metres of carpet were made in 1989 compared with the nation's demand of only 8 million square metres during the previous few years. The result—little profit, huge stockpiling.

At the same time, investment in production lines (especially those for high quality home appliances), purchase

of production materials and machine parts, and constant innovation of designs and styles have all become more costly.

However, enterprises have been slow in adapting to the new market situation. Ma Hong, Director of the State Council Research Centre, noted in the last 1989 edition of the magazine *Administrative World* that the technological level of even the largest enterprises remains low.

Without updating managerial concepts and methods, enterprises just keep building and building, in an almost habitual chase of output value.

On the macro-economic level, such blind building and expansion have gone far beyond what China can afford with its limited resources and poor public infrastructures.

In fact, one-third of China's large and medium-sized enterprises built in the last few years can barely realize half of their capacity.

And more than 30 percent of the country's processing industry is lying idle, said Lu Dong, former minister of the State Economic Commission, in *Economic Daily* at the end of last year.

The scale of China's agriculture cannot support such an ever expanding wasteful industry. Nor can its supply of energy, transportation and materials sustain such excessive growth of processing firms, he said. Chinese industry has to learn to save and practise "intensive management."

Song Jian Views Needs for Rural Services

OW0502174690 Beijing XINHUA in English
1539 GMT 5 Feb 90

[Text] Jinan, February 5 (XINHUA)—State Councillor Song Jian says China should set up a rural scientific, technical, and economic service appropriate to the Chinese countryside.

During a 10-day inspection of Shandong Province that ended today, Song said China will maintain the flexible policies on scientific research institutes and the management of scientists to promote nongovernmental research and the spread of scientific knowledge.

Song, who is also minister in charge of the State Science and Technology Commission, said that adopting flexible policies on the management of research institutes and scientists has significance for the development of the local economy and scientific undertakings.

He said it is necessary to support and develop the nongovernmental research institutes arising during the reform. He also stressed the need to support and guide technical development companies.

Song called for the spread of science and technology, and for the training of peasants, especially rural youth, to

develop the commodity economy with modern know-how. He also urged help for peasants to break with backward production methods.

First National Cooperative Training Center Built

*HK0602021090 Beijing CHINA DAILY in English
6 Feb 90 p 3*

[By staff reporter Xu Jie: "Training Centre to Aid Co-ops"]

[Text] China is setting up its first national cooperative training centre to meet the manpower needs of supply and marketing co-ops throughout the nation.

This is the first stage in introducing modern managing and accounting systems to the country's 700,000 basic supply and marketing business units, according to an official from the education department of the Ministry of Commerce.

Such units are an important means of supplying rural areas with production and living materials, and of collecting farm products for cities.

Located in Bengbu City, Anhui Province, construction of the centre started last year with the help of the United

Nations Development Programme (UNDP) and the International Labour Organization. The UNDP invested \$793,980 in the programme.

The centre is scheduled to be completed next year, and will train 800 teachers and cadres a year from then on, the official said.

China now has 8,000 teachers of job-related subjects in 1,400 schools for training people for marketing co-ops. The schools train 8,000 graduates and advise 500,000 staff members in on-the-job training every year. But experts predict that 32,000 more teachers will be needed for the rapid development of co-ops, which have 4 million people on their staffs.

Teaching materials and methods, including computer-assisted and audio-visual training courses, will be supplied by the labour organization. Chinese content will be taught with the latest teaching materials.

Other centre programmes include the compiling of a Chinese-English dictionary for supply and marketing cooperatives.

A nationwide network for training staff members will be formed in the next four years, the official said.

East Region

Governor Wang Zhaoguo Outlines Fujian's Tasks

OW3101061590 Fuzhou FUJIAN RIBAO in Chinese
8 Jan 90 pp 1, 3

[Text] "Unswervingly continue to implement the guidelines of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee; uphold the 'one center and two basic points' [the one central task of economic development and the two basic points of adherence to the four cardinal principles and to the implementation of reform and the open policy]; seriously implement the policy of improving the economic environment, rectifying the economic order, and deepening reform; continue to open wider to the outside world; and work with enhanced spirit to overcome difficulties and push forward Fujian's economic development and the development of its various undertakings!" This was the demand stated at the first provincial government meeting in 1990.

The provincial government meeting was held on 7 January. At the meeting, Governor Wang Zhaoguo made a report, reviewing the government work in 1989 and outlining this year's tasks. Vice Governor You Dexin presided over the meeting. Vice Governors Chen Mingyi and Shi Xingmo attended the meeting.

I. Last Year Fujian Seriously Implemented the Policy of Improving the Economic Environment, Straightening out the Economic Order, and Deepening Reform, Thereby Achieving Notable Success in All Fields of Endeavor

The meeting pointed out: Under the leadership of the Party Central Committee, the State Council, and the provincial party committee, Fujian achieved notable success in all fields of endeavor last year. The political situation was stable throughout the province, and the economy continued to develop steadily. When the counterrevolutionary rebellion was occurring in Beijing, the governments at all levels and their departments resolutely implemented the party Central Committee's policy decision and took a clear-cut stand on ending the turmoil. As a result, the situation's development was controlled effectively, and the political situation throughout the province was basically stable. The vast numbers of cadres and workers on the economic front remained at their production posts. As a result, there were no big fluctuations in our economy. Faculty members and workers on the education front took a firm stand and did a tremendous amount of hard and meticulous work. A large number of advanced collectives and individuals distinguished themselves in opposing and ending the turmoil in the course of the grave political struggle. All this shows that the political ideology of the vast numbers of Fujian's cadres, people, public security cadres, policemen, and commanders and fighters of the troops stationed in Fujian is good, and that they can stand the test of big storms. After a decisive victory was won in quelling the counterrevolutionary rebellion, government organs at all levels in the province, acting in accordance with the unified arrangements of the party

Central Committee and the provincial party committee, resolutely and seriously conducted investigation and clearing-up work. As a result, we now have a more firm political stand and a more pure organization.

The meeting pointed out: In 1989 Fujian achieved notable progress in improving the economic environment, rectifying the economic order, deepening reform, and opening wider to the outside world. Its economy continued to develop steadily, and the various economic targets were fulfilled or overfulfilled. An all-round bumper harvest was achieved in agriculture, with total grain output exceeding past records. New progress was made in the work of helping the poor. A proper growth rate was maintained in industry, the mix of industrial products was readjusted, and economic efficiency was improved. Foreign economic relations and trade continued to develop, and more foreign capital was used. A strong momentum was maintained in attracting investments from Taiwan compatriots, and new progress was made in contracting foreign engineering projects and labor cooperative undertakings. Progress was also made in conducting Overseas Chinese affairs and in tourism. Government revenue increased by a big margin, and tax and auditing work was conducted with remarkable results. Revenues and expenditures for the whole year were roughly balanced, and the financial situation improved notably. Notable results were also achieved in insurance work. Initial success was made in controlling the size of investments in fixed assets, and the increase in investment, which had continued for many years, was curbed. Some results were made in screening and consolidating companies, and order in the circulation field also improved. Market supply increased. There was an abundance of manufactured daily necessities, food, and nonstaple food products. The rise in the price index sharply declined. Science, education, culture, public health, and other social undertakings also reported further development. Progress was also made in making government clean. Building of the socialist legal system was stepped up.

The meeting pointed out: Generally speaking, the situation in Fujian was good last year. This was the result of hard work by the governments and their departments at all levels and by the vast numbers of people in our province. However, we must also soberly realize that there are still difficulties and problems, and that some are quite serious. First, the contradictions between total demand and supply have not been basically resolved, even though they are not as serious as before, and the size of investment by various quarters is still too large. Second, agriculture, basic industries, and the infrastructure remain weak, clearly showing the problems confronting our economic structure. Third, because of sluggish sales and the sharp drop in industrial growth, some enterprises have suspended their production and some workers' livelihood has been affected. Fourth, the high prices paid for export goods have hindered efforts to make up the deficits and have caused problems in providing matching funds for foreign capital.

II. Work Firmly and Courageously, and Strive To Make a Success of All Government Projects for 1990

After reviewing the achievements made in 1989, the meeting stressed: This year, the first year of the 1990's, is crucial for economic retrenchment and reform. The general guideline for operating the provincial government in 1990 is: It must operate within the framework of the two major missions laid down by the party Central Committee—"maintaining social and political stability, and maintaining sustained, steady, and coordinated economic growth"; firmly implement the resolutions of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee and the instructions General Secretary Jiang Zemin gave while inspecting Fujian; follow the plan of the provincial party committee and uphold the principle of "one center and two basic points"; earnestly implement the policy of carrying out economic retrenchment and deepening reform; continue to open wider to the outside world; act more courageously in surmounting difficulties; expedite the pace of economic retrenchment; and speed up reform and opening to the outside world so as to expedite the development of all economic and social projects in Fujian. The general plan for Fujian is: Under the premise of achieving better economic performance and restructuring the economic system, Fujian should maintain an appropriate economic growth, aiming at achieving 4 percent increase in agricultural output; 8 percent increase in industrial output; 7 percent growth in GNP; an increase of 150,000 metric tons of grain; an increase of 7.7 percent in revenues; an increase of 3 billion yuan in bank deposits; an increase of 4.5 billion yuan in loans; and an increase of 8 percent in exports. Meanwhile, Fujian should keep its investment in fixed assets under 52,820 million yuan, keep the rise of retail commodity prices under 18 percent, and strive to keep its natural population growth rate under 11.33 per 1,000.

To achieve these objectives, governments and departments at all levels must work earnestly to make the following projects a success:

1. Thoroughly implement the principles outlined by the 5th Plenary Session of the 13th CPC Central Committee and firmly proceed with economic retrenchment. First, continuous efforts should be made to control the size of investment in fixed assets, so that resources can be pooled and used for major construction projects. While curtailing the overall investment size, efforts should be made to restructure the investment plan, so that capital is available for mainstay projects relevant to the national economy and people's livelihood, such as the development of agricultural production, energy resources, communications network, and production of raw and semi-finished materials. Fujian plans to launch 13 major construction projects in 1990. All localities and departments should make every effort to support these projects. Second, the size of credit funds should be controlled, so that more working funds will be available. We should rationalize the credit system, so that the limited amount of capital can be utilized even more

flexibly and efficiently in supporting production and distribution. Priority should be given to supporting the financial needs of major industries, major products, major projects, and the mainstay enterprises. Various measures should be worked out, so that enterprises will have more cash at their disposal. There should be more effective control over foreign exchange. The amount of foreign exchange spent on importing foreign goods should be reduced, so that Fujian can protect its international reputation by repaying the principal and interest of its foreign debts on time. Third, great efforts should be made to increase revenues and cut expenditures so as to increase Fujian's overall control over fiscal matters. All localities and departments must be prepared to lead an austere life for a few years and tighten their expenditures. The use of financial resources should be appropriately centralized. Control over state-owned assets should be improved, and state-owned economies should be consolidated and developed. Fourth, the work of screening companies should continue, so that there will be better order in the circulatory sphere. Firm actions should be taken to close or merge excessive companies, and proper plans should be devised with regard to employing the replaced personnel and liquidating assets and debts. All cases of indiscipline and lawlessness, especially major ones, must be seriously handled according to disciplinary regulations and law. Fifth, control over commodity prices should be strengthened. Efforts should be made to stabilize the prices of all types of necessities and to control and supervise commodity prices.

2. Continue to deepen reform, focusing in particular on improving the economic environment and rectifying the economic order. Reform should be conducted this year in a way that will help and serve the interest of improving the economic environment and rectifying the economic order. At the same, it is necessary to closely integrate the efforts of improving the economic environment and rectifying the economic order with the efforts to deepen reform. Further steps should be taken to deepen and perfect the various reform measures. First, efforts must be continued to deepen enterprise reform. It is necessary to further perfect the contract responsibility system for enterprise operation. It is necessary to continue honoring contracts still in force and to do a good job of arranging for the signing of new contracts to replace old ones that have expired or will soon expire. It is necessary to persistently implement the "Enterprise Law" and ensure that plant directors have full authority in production management. It is necessary to strengthen the building of party organizations in enterprises; stress ideological-political work among workers; rely wholeheartedly on the working class; and work in unity to promote enterprise operation. Reform measures which have proven effective should continue to be implemented. Second, rural reform must be upheld and perfected. It is necessary to uphold and stabilize basic economic policies in the countryside and to maintain stability and continuity of the current rural policies. It is necessary to implement the various forms of the system

of contracted responsibility based mainly on the household, with remuneration linked to output. It is necessary to perfect rural cooperative economic organizations; develop the collective economy; promote collective contracting of agricultural science and technology service; and establish and perfect a social service network to provide service before, during, and after the production process. Where conditions permit, large-scale agricultural undertakings should be gradually developed on a voluntary basis. Third, reform of the foreign trade structure must be deepened and perfected. It is necessary to give foreign trade enterprises full authority over management and full responsibility for profits and losses; to give them a free hand in management; to promote coordination between industry and foreign trade; to adopt a system whereby foreign trade corporations can act as agents for other enterprises in the export of their commodities; and to form a united front in foreign trade. It is necessary to perfect Fujian's foreign trade restructuring measures and to fully arouse the initiatives of all sectors. Fourth, the planning, investment, finance, banking, and price structure must be reformed, and a new macroeconomic regulatory system established. The role of planning as the guide must be stressed during the period of economic restructuring. Fifth, housing reform must be continued steadily. Efforts to sell public housing and raise rents should be made to go hand in hand.

3. Actively open Fujian wider to the outside world and develop foreign economic relations and trade. Fujian is a comprehensive experimental zone for China's policy of reform and opening to the outside world. We should seriously implement the instructions of Comrades Deng Xiaoping and Jiang Zemin. We should integrate organically the task of improving the economic environment and rectifying the economic order with that of opening to the outside world. We should maintain continuity in our policies, and constantly stabilize and perfect the policies and measures for opening to the outside world. We should take full advantage of Fujian's strong points and favorable conditions; continue to "leave one side of the net open [wang kai yi mian 4986 7030 0001 7240]"; take a further step to open Fujian wider to the outside world; and promote the development of Fujian's foreign economic relations and trade actively, boldly, and properly. We should make great efforts to develop foreign trade, try in every possible way to increase export, and keep a steady growth in export trade. We should actively use foreign capital and import advanced technologies. We should improve the management of joint ventures, cooperative enterprises, and wholly foreign-owned enterprises; provide better service to them; bring organizations of foreign economic relations and trade under one roof; simplify business procedures; and enhance efficiency. We should attract more investment from Taiwan businessmen and accelerate the construction of the Taiwan businessmen's investment zone. We should actively and effectively develop international economic and technological cooperation, continue to increase the export of labor services, and contract to build more foreign construction projects. It is necessary to continue

to build well special economic zones, open cities, development zones, and coastal open economic zones. It is necessary to accelerate the development of an export-oriented economy. It is necessary to improve overseas Chinese affairs and increase our contacts abroad.

4. Continue to strengthen the foundation of agriculture and strive to make a new breakthrough in agricultural development. First, we should continue to pay attention to grain production and ensure a steady increase of grain output by every possible means. We should systematically do a good job in grain production in accordance with the principle of "relying mainly on production in Fujian while making purchases from outside the province supplementary." We should pay more attention to protecting cultivated land and stabilize the area of grain crops. At the same time, we should reclaim wasteland according to local conditions to increase the area of cultivated land; continue to develop both paddy fields and dry farmland; simultaneously grow rice, other food grains, and fodder crops; and achieve a steady and balanced growth in the production of all grain crops in all seasons of the year. Second, it is necessary to accelerate the comprehensive exploitation of mountain and marine resources and to actively promote diversified undertakings. We should increase food production and give high priority to building meat, poultry, egg, and vegetable producing centers in 12 cities to ensure non-staple food supply for urban residents. Third, we should continue to increase investment in agriculture, strengthen the infrastructure of agriculture, and improve the conditions of agricultural production. While the provincial government will increase its investment in agriculture this year, governments at various lower levels should also do so accordingly. We should give full play to the role of rural collectives and peasants in townships and villages as the main investors in agriculture. Fourth, we should make great efforts to develop agriculture by relying on science and technology. We should continue the various policies for helping the poor, and actively assist old revolutionary base areas, minority nationality regions, outlying poor regions, and coastal islets in their economic and cultural development, so that they will improve their conditions sooner.

5. Strive to keep a moderate industrial growth, with emphasis on readjusting product mix and enhancing economic efficiency. First, it is necessary to seize good opportunities and make great efforts to readjust the industrial structure and product mix. The planning committee and economic committee should make great efforts to manage well the various trades and professions and optimize their production structure. Provincial industrial departments and bureaus and all enterprises should do a good job in readjusting product mix. Second, we should invigorate large and medium-sized state-run enterprises. All the 16 special provisions formulated by the provincial government for 66 large and medium-sized key state enterprises must be implemented. We should also actively support any medium-sized and

small enterprises that conform to our country's industrial policies and show good economic efficiency, particularly those producing household necessities. All enterprises must rely on their workers and staff to launch the campaign to increase production and practice economy and to raise revenues and reduce expenditures. All enterprises must tap potential and enhance economic efficiency. Third, we should continue to encourage and guide town and village enterprises to develop themselves soundly. To develop town and village enterprises is our long-term policy, and we should readjust, consolidate, transform, and improve them step by step and promote their sound development according to our industrial policy and plan. We should continue to let town and village enterprises enjoy preferential taxation and other benefits that the central and provincial authorities have given them. Fourth, we should unclog commodity circulation channels and invigorate urban and rural markets. Fifth, we should adopt effective measures to properly solve problems of enterprises that have suspended operation.

6. Continue to vigorously develop education. We should continue to readjust the educational structure; strengthen elementary education; thoroughly enforce the "Law on Compulsory Education" and the Fujian provincial regulations on enforcing the law; pay attention to examining and supervising the enforcement of the law; prevent students from dropping out of schools; and strictly prohibit the use of child labor. We should deepen the reform and rectification of institutes of higher learning; readjust the establishment and composition of specialized studies; and reduce the number of specialized courses that take a long time to complete. We should make active efforts to develop vocational and technical education; continue to emphasize on-the-job training and vocational technical training in promoting education for adults; and consolidate school management at various levels. We should continue to provide training in practical skills for rural youths. We should promote activities among rural women to gain basic knowledge, learn specialized techniques, compete with one another, and make contributions. This year is the international year for eliminating illiteracy, and therefore schools of all categories at all levels should support illiteracy elimination work. We should make a success of comprehensive educational reform in the rural areas, and properly conduct experimental work in this regard.

7. Accelerate development of science and technology. Scientific and technological work should be oriented to serving economic development. We should strengthen scientific research and technology promotion work; thoroughly implement the "double liberalization" policy regarding scientific and technical work; arouse scientists' and technical workers' enthusiasm in working in rural areas; and closely integrate the Spark Plan with the "Prairie Fire Plan" and the "Bumper Harvest Plan". We should further organize and implement the "Torch Plan," and speed up construction of science parks in

Fuzhou and Xiamen so as to give impetus to the development of high-technology and new-technology industry in Fujian.

8. Resolutely and unremittingly promote spiritual civilization and maintain social stability. We should insist on implementing the policy of promoting spiritual civilization while developing the economy. While making efforts to develop material civilization, we must vigorously promote spiritual civilization, and consolidate and enhance the current political unity and stability. Stability should prevail above everything else. Governments at all levels should work hard to ensure political, social, and economic stability. Governments at all levels should fundamentally ensure that the economy will develop smoothly. We should further promote spiritual civilization. We should concentrate our efforts on widely and pointedly conducting socialist educational activities in urban and rural areas across the province. We should emphasize the continuing education in upholding the four cardinal principles; education in implementing the program of improving the economic environment, rectifying the economic order, and deepening reform; and education in patriotism, collectivism, and working hard. We should further raise the socialist awareness of the broad masses of people, and foster the idea of closely keeping in line with the party and living an austere life. We should continue to promote the spirit of the Gutian Congress; learn the good traditions and style of the People's Liberation Army; actively launch activities among servicemen and the people to emulate Lei Feng; carry forward the Lei Feng spirit; and promote socialist spiritual civilization. We should make thorough and unremitting efforts to eliminate the six vices in order to create a good social atmosphere. We should give life to and develop socialist culture. We should practice economy, transform social traditions, and oppose superstitious activities and the habit of spending lavishly. We should improve medical, public health, and family planning work, and keep the natural population growth within the planned target. We should deepen the reform of our physical educational system, and strive to raise the physical education level. We should also strengthen and develop socialist democracy, and improve our socialist legal system.

III. Promote Self-Improvement of Government Organs, and Ensure Smooth Completion of Government Work

The meeting stressed: The government's work in 1990 is heavy. Therefore, government organs must further make self-improvement in order to effectively carry out work in all fields and to ensure that all work will be carried out smoothly. First, we should make greater efforts to promote administrative honesty and maintain a clean government. Second, government workers should study harder in order to raise their educational level. Third, we should maintain close ties with the masses, conduct more investigations and studies, and improve our work style. Fourth, we should further improve party organizations and the ideological and political work of government organs.

The meeting called on all, under the leadership of the party Central Committee, the State Council, and the Fujian Provincial CPC Committee, to thoroughly carry out the guidelines set by the 5th Plenary Session of the 13th CPC Central Committee; to rise up and work hand in hand in order to fulfill the work in all fields; to maintain economic and social stability; and to advance Fujian's work in economic development, reform, and opening to the outside world.

Wang Zhaoguo Visits Fujian Industrial Enterprises

*OW0502141290 Fuzhou FUJIAN RIBAO in Chinese
22 Dec 89, P 1*

[Text] Wang Zhaoguo, deputy secretary of the Fujian provincial party committee and governor of Fujian, led leading members of the provincial economic commission and comrades of the General Office of the Fujian Provincial People's Government to Zhangzhou City. They conducted investigations and studied various enterprises there from 18 to 20 December in order to understand the enterprises' current production situation, difficulties, and problems.

Wang Zhaoguo and his party visited various places to hold cordial talks with workers; inquire about the production and marketing situation of various enterprises; and find out the workers' living conditions and the enterprises' current difficulties. Wang Zhaoguo praised leaders and workers of those enterprises for their patriotic enthusiasm and working attitude. He encouraged them to look at the progress and the outlook for a bright future, to overcome difficulties, and to promote production.

During his stay in Zhangzhou City, Comrade Wang Zhaoguo heard a report by Han Yulin, mayor of Zhangzhou City, on the industrial situation in the city. He held a discussion meeting, attended by directors and managers of a number of key plants, to study how to overcome the temporary difficulties that various enterprises face and how to further stabilize and develop industrial production.

Wang Zhaoguo emphatically pointed out that it is imperative to further implement the guidelines of Comrade Jiang Zemin's National Day speech and of the 5th Plenary Session of the 13th CPC Central Committee; to firmly implement the "Enterprise Law;" to adhere to the system of having the plant director assume full responsibility; to adhere to the contract responsibility system; and to develop and improve those systems through practice. He said: The 16-point provincial regulations on assisting large and medium enterprises, regulations on promoting the sales of industrial products, and other regulations on invigorating state enterprises must be implemented further. We must wholeheartedly rely on the working class. The workers trust the party and love socialism. They have great laboring enthusiasm. Leading cadres at various levels must strive to protect the socialist enthusiasm of the broad masses of staff members and workers. The plant directors and managers are

also a part of the working class. We must fully affirm their deeds in adhering to the four cardinal principles, the reform and open policy, and their contributions in developing the economy. Plant directors and managers should further heighten their spirit, do a good job in uniting the leading groups, strengthen ideological and political work, and lead the workers to struggle together for success. It is necessary to grasp the current opportune time to actively adjust the production and industrial structures. Leading cadres at various levels should lead responsible persons of appropriate departments to conduct investigations and study at those enterprises that have stopped production or have big problems. They should make specific, individual analyses of those enterprises in order to find out the causes and to study policies for solving their problems. We must actively help solve the problems of those enterprises which are following the state policy for industrial development but are having trouble obtaining funds and raw materials and in marketing their products. For those enterprises which are not in accord with the state policy for industrial development and should be eliminated, we must take resolute actions to close, suspend operations, or merge with other, sound enterprises, or switch them to the manufacture of other products. However, we must make proper arrangements for the placement of their personnel, the handling of their property, the repayment of their debts, and their other problems. The method taken by Zhangzhou City in shutting down or suspending the operation of small sugar plants in order to protect large sugar plants is quite good. We should sum up those experiences and find a new road for adjusting the industrial structure. On the matter of helping various enterprises solve their difficulties, the most important thing is to solve the living problems of staff members and workers of those enterprises which have been suspended. For those state and collective enterprises which have been suspended, we must make sure to provide basic living expenditures for their staff members and workers and their dependents, according to regulations. We should implement a responsibility system at various levels in this respect in order to maintain a political situation of stability and unity. Government organizations at various levels should further streamline the administrative structure, effectively improve their work style, raise working efficiency, earnestly serve the grass-roots level, and help various enterprises solve problems and difficulties. All enterprises should also study their own problems, strengthen their own management, adjust production structure, raise the quality of their products, and strive to open domestic and foreign markets.

Wang Zhaoguo emphatically pointed out that, in the course of improving the economic environment, rectifying economic order, and deepening reform, it is imperative to strengthen political and ideological work.

Fujian Leaders Attend Spring Festival Forum

*OW0402123090 Fuzhou FUJIAN RIBAO in Chinese
21 Jan 90 p 1*

[Excerpt] Yesterday afternoon, the provincial party and government leaders along with leaders of the military

units stationed in Fujian happily gathered at the Xihua Guest House for a Spring Festival forum.

Present at the forum were provincial and Fuzhou City leaders Chen Guangyi, Jia Qinglin, Hu Hong, Cheng Xu, Yuan Qitong, Lin Kaiqin, Zhao Xuemin, Wen Fushan, Huang Ming, Wen Xiushan, You Dexin, Su Changpei, Ling Qing, and Hong Yongshi; leaders of Army, Navy, and Air Force units stationed in Fujian, and Armed Police, including Chen Shuqing, Ren Kaiguo, Chen Xitao, Wang Tongzhuo, Niu Yushan, Jiang Zhaozhi, Shi Yonggen, Wang Jilian, Hong Shaohu, Lin Minggui, and Sun Jiaping; as well as leaders of the relevant provincial departments.

At the forum, the provincial leaders, on behalf of the people across the province, extended their festival greetings and respects to the officers and men of military units stationed in Fujian and the Armed Police personnel as well as to their families. The provincial leaders said: The past year was an unusual one, a year in which the party and state underwent the test of blood and fire. During this test, the Army and people united as one and, in strict accordance with the instructions of the party Central Committee, the State Council, and the Central Military Commission, took a clear-cut stand and firmly implemented a series of measures to safeguard the province's political, economic, and social stability and make it possible for the two civilizations to develop in an all-round way. The people across the province deeply appreciate the people's soldiers' great contributions to the "two civilizations" in our province.

On behalf of the military units stationed in Fujian, the military leaders extended New Year's greeting to the leaders and people of the province and congratulated them on their achievements in promoting the two civilizations during the past year. [passage omitted]

Fujian To Approve More Foreign Investment

OW2701181090 Beijing XINHUA in English
0654 GMT 27 Jan 90

[Text] Fuzhou, January 27 (XINHUA)—East China's Fujian Province is ready to use more foreign investment this year, according to Deputy Governor You Dexin.

According to him, Fujian approved an additional 872 foreign-funded projects last year and actually used 391 million U.S. dollars in foreign investment, up 35.4 percent over the previous year.

You attributed the good results to the full use of long-term and lower-interest foreign loans, and expanding the use of investment from Taiwan residents.

So far, about 1,400 foreign-funded enterprises have opened for business.

These enterprises generated an industrial output value totalling 5.765 billion yuan last year, up 31 percent over the previous year and accounting for 21 percent of the province's total industrial output value.

The deputy governor said the province undertook 332 contracts for projects abroad and labor service involving 186 million U.S. dollars last year.

According to You, Fujian will further improve investment conditions, and upgrade services and management this year.

Shen Daren Addresses Jiangsu Planning Meeting

OW0102032090 Nanjing XINHUA RIBAO in Chinese
19 Jan 90 pp 1 & 4

[Text] Shen Daren, secretary of the provincial party committee, and Chen Huanyou, provincial governor, spoke at the closing of a provincial conference on planning, finance, and commodity prices yesterday. They called for stability, all-out efforts, and progress in developing Jiangsu's economy this year.

Responsible comrades of the provincial party committee and the provincial government Deng Hongxun, Sun Jiazheng, Cao Hongming, Hu Fuming, Gu Hao, Cao Keming, and Gao Dezheng attended the meeting yesterday.

In his speech, Chen Huanyou first affirmed the results in cooling down the economy; in scaling down the overextended scale of capital construction; and in eliminating chaos in the course of economic improvement and rectification. He then analyzed the current economic difficulties and the conditions for overcoming such difficulties. He said: The successive convocation of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee has not only solved political and organizational problems but also pointed out the direction of economic work. Thus it clarified thinking and stabilized policy. This is the most important condition. Second, the recently convened eighth provincial party congress has unified the thinking of cadres and people on the basis of the party's line, principles, and policies, thereby strengthening unity and fighting capacity. Chen Huanyou pointed out: Through improving the economic environment and rectifying the economic order over the past year or so, Jiangsu has built up its material and technical strength. Jiangsu has also improved its capacity to develop science and technology as well as new products, and the potential to transform science and technology into productive forces. Moreover, Jiangsu's proximity to the coast, which gives the province an edge in developing foreign trade and inducing foreign capital, and the 10 million qualified workers and its contingent of cadres well versed in managerial expertise, have also provided favorable conditions for overcoming difficulties. Chen Huanyou discussed several tasks that should be worked on, especially this year, and called for strengthening leadership over economic work. (Excerpts of his speech will be published separately.)

Shen Daren began his speech by emphasizing the guiding principle in ensuring stability in the work in various fields. He said: "Stability" is of overriding importance. Achieving social and economic stability and stabilizing

popular sentiment should be the starting point and basic footing of the current work in all fields. It is the major principle in considering any question. Arrangements for economic work should be aimed at achieving "stability." The work in planning, finance, and commodity prices should be subordinated to the overall interests of ensuring stability. Every measure taken and every decision made should be conducive to stabilizing the overall situation. We should clearly understand and consider the overall situation, steadfastly safeguarding political stability and unity for ensuring the steady development of the economy. Party committees and governments at all levels as well as planning, financial, and other economic departments at all levels should be absolutely firm in this regard. To develop this year's economic work, a very important requirement is to decide on a reasonable and appropriate growth rate on the basis of Jiangsu's actual situation and to ensure stable economic and social development. The plan which was developed at this year's meeting, especially the plan's main economic targets, are based on repeated discussions and consideration of various factors with a view to maintaining general political and economic stability. To guarantee stable economic growth this year, attention should be given to ensuring the fulfillment of the following key requirements in making specific detailed plans: 1) to ensure the supply of people's daily necessities; 2) to ensure the development of agriculture; 3) to ensure the development of basic industries and fill existing gaps in these industries; 4) to ensure that the market commodity price index is within controlled limits; and 5) to ensure a certain economic growth rate and guarantee the fulfillment of the financial task. The main task of reform this year is to implement the various reform measures already formulated and to perfect them. In reforming enterprises, we should proceed from the requirements of stabilizing them and serving their long-term interests. We should sum up experience, give proper guidance according to the various categories of enterprises, keep those systems that are good, eliminate whatever is disadvantageous, and further consolidate and improve enterprises. In addition, further steps should be taken to enliven commodity circulation, expand export, and promote sales to stimulate production so as to ensure that production will increase steadily.

Shen Daren continued: A very good point in our long experience with this work is that the more difficult the situation, the greater effort we should exert. True, we all agree that there exist tremendous difficulties and contradictions in this year's economic work. However, we should never forfeit our confidence and become pessimistic and inert. In correctly assessing the situation, we should, on the one hand, fully estimate and thoroughly analyze the contradictions and difficulties that may arise, so as to improve our ability to foresee the nature of the work, enhance our sense of responsibility, and gain the initiative in carrying out the work. On the other hand, we should realize our advantages—the favorable conditions and the great potential to overcome difficulties. Only by comprehensively analyzing and correctly

recognizing the current situation can we enhance our confidence and determination to do a good job in our work. "A sluggish market" and "a shortage of funds" are not the most dreadful difficulties; a mental slump and spiritual fatigue are. A dispirited mentality can escalate a minor problem to a major one, and a temporary difficulty to a protracted one; while a healthy mental state and perseverance in defying difficulties and advancing despite problems may lead to their solution. Some comrades said: "In spite of difficulties, we get by year after year because we can always find solutions to problems." In my opinion, they sound reasonable. It is hoped that leaders at all levels and comrades engaged in economic work will further heighten the spirit, enhance confidence, increase the ability to foresee the nature of work, and gain the initiative in carrying out the work in the coming year. It is also hoped that they will implement the mass line and rely on and lead the broad masses of people in advancing bravely and in overcoming difficulties. Thus they will strive to fulfill the various targets of economic improvement and rectification and the deepening of reform in economic work.

Shen Daren said: We have already formulated the general political principles and outlined the plans and targets of economic work this year. In order to effectively carry out these tasks, it is necessary to fully mobilize the masses and to further fire their initiative. This is the fundamental guarantee for ensuring success in economic and other work this year. He said: We should explain difficulties and problems as they are to the masses. At the same time, we should tell them the ways and means to solve problems. Thus we can harness their enthusiasm and creativity for overcoming difficulties with one heart and one mind. In firing the initiative of the masses, we should show concern for their vital interests and carry out effective ideological and political work among them. It is necessary to earnestly handle practical problems that can be solved by making efforts, and explain to the masses, in detail and with patience, those problems that cannot be solved temporarily. Under no circumstance should we handle them in a bureaucratic manner. Party and government organs and leading cadres should set examples in leading an austere life, share comforts and hardships together with the masses, and inspire their enthusiasm and creativity with exemplary deeds.

Shen Daren also set the requirements for further improving work style and work methods. He expressed the hope that people throughout the province will work with one heart and one mind to achieve even greater successes in the coming year.

Jiangxi Issues Militia Arms Control Circular

*OW0602050790 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 5 Feb 90*

[From the "Provincial Hookup" program]

[Text] The provincial military district recently issued a circular calling on all localities to effectively strengthen their safe control over militia weapons during the conscription period.

The circular points out: Personnel in various localities are now busy with conscription work. However, they must not relax their control over militia weapons because of this work. At a time when personnel are scattered and busy with their work, they should particularly strengthen efforts to ensure security and prevent accidents. Leaders of People's Armed Forces departments under governments at various levels should do a good job in keeping militia weapons under safe control while performing their conscription work. Relevant units should coordinate closely with one another in this regard. During the conscription period, county, city, and district People's Armed Forces departments must not assign ordnance staffs, warehousemen, and guards to conscription work or other activities in order to ensure that they work at their posts. Warehousemen and guards must stand fast at their posts to implement various controls to the letter in order to guard strictly against the pilferage or loss of militia weapons and similar accidents.

Jiangxi Sets Guides for Supply, Marketing Work

OW2601020690 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 17 Jan 90

[From the "Provincial Hookup" program]

[Text] In arranging this year's supply and marketing work, the Jiangxi Provincial Economic Commission has set the following guidelines: In doing our work this year we should aim at achieving industrial growth of 8 percent or more. We should do our industrial work properly while improving the economic environment and rectifying the economic order. We should strive to maintain the following five stabilities.

First, we should continue to maintain stable development of industry. To ensure appropriate industrial growth, we must provide appropriate market conditions, strengthen production management, rely on technological progress, improve enterprise management, tap internal enterprise potential, and raise economic results.

Second, we should facilitate circulation and keep markets stable. Supply and marketing departments and departments in charge of industry should attach greater importance to the market; establish the system of doing non-regular market analyses and holding market forecast meetings; strengthen leadership over supply and marketing work; invigorate markets in urban areas; and open up markets in rural areas. State-run commercial enterprises should play their role as major sales outlets, and industrial enterprises should readjust their marketing strategy and [words indistinct].

Third, we should readjust product mix and strive to ensure that production work is stable and balanced

throughout the year. We should do this work by starting out with a selected group of key products and enterprises. We should then develop good products and enterprises; eliminate inferior ones; readjust enterprise size and structure; merge enterprises wherever possible; and try to avoid shutting down enterprises and stopping production, in order to reduce unemployment pressure and the loss of assets in the course of readjustment.

Fourth, we should strive for stable technological progress in order to lay a good foundation for future development. To raise the technological level of enterprises, we should pay attention to work in five areas: 1) we should develop new products and promote new technologies; 2) we should develop products that use less energy, and reduce the consumption of energy and raw and processed materials; 3) we should develop products that will significantly contribute to national economic development; 4) we should develop export products; and 5) we should develop products that make comprehensive use of resources. Initially, we have decided to concentrate efforts on developing new products, on improving product quality, and on reducing energy consumption. We have selected 148 projects for transforming imported technologies and technologies that allow comprehensive utilization of resources; 71 projects aimed at increasing exports and transforming technologies for turning out products that may replace imported ones; and 77 projects for improving major products and key enterprises that bring in significant revenues for the government.

Fifth, we should deepen reform and keep our policies and key contract systems stable. To do this, we should first do a good job in extending contracts to enterprises whose contracts have expired, and in honoring contracts with enterprises. On the basis of summing up experience, we should also improve the substance of the contract system and the (criteria) for evaluation. The factory manager responsibility system and other policies and measures in line with the spirit of reform and opening to the outside world should also be stabilized. Efforts to improve management should mainly center on improving product quality and raising the educational level of staff and workers. To improve management, we should start from basic work. We should promote the idea, methods, and means of modern management, improve management, and raise management level and efficiency by taking into consideration the actual conditions in an enterprise.

Jiangxi Leaders Visit Workers on Spring Festival

OW0402222390 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Jan 90

[Excerpts] The old year has passed amid the sound of firecrackers, while a new spring is being ushered in by jubilant songs. Today the capital city of Nanchang is in a happy, peaceful, and festive mood. Leaders of Jiangxi Province and Nanchang City have gone to visit grassroots units to call on cadres, staff members, workers, and

peasants working persistently at their production posts to join them in celebrating the Spring Festival.

This morning, Wu Guanzheng, (Ma Shichang), Sun Xiyue, and Zhang Fengyu came to the Jiangxi Cotton Weaving, Printing, and Dyeing Plant with responsible comrades from the Nanchang City party committee and government. At a group meeting at the plant to exchange Spring Festival greetings, Wu Guanzheng said: We have come to extend Spring Festival greetings to the staff and workers of the Jiangxi Cotton Weaving, Printing, and Dyeing Plant and to all workers in the province. He continued: Despite numerous difficulties, your plant achieved great success last year. We believe that you will continue to unite to work hard and will make even greater achievements in the new year. [passage omitted]

The provincial and city leaders then visited the plant's workshops to extend Spring Festival greetings to the workers who were engaged in production there.

After that, Wu Guanzheng and the other leaders came to (Yangzizhou) Township, a vegetable-growing center in a Nanchang suburb. They first inspected the chive and pepper fields of the Jiangxi Vegetable Research Institute and then went to (Sanlian) Village to extend Spring Festival greetings to a vegetable-growing peasant, (Wan Xubao), who is also a deputy of the city People's Congress. Wu Guanzheng asked him if he was concerned about the change of policy. (Wan Xubao) replied: I believe that the party's policy will remain unchanged. [passage omitted]

During the festive period, the state-operated (Dingzicheng) Nonstaple Food Market in Nanchang City was full of meat, fish, poultry, eggs, and vegetables with the prices clearly marked. The provincial and city leaders came here to wish the staff members and workers a happy Spring Festival and exchanged greetings with them. [passage omitted]

The provincial and city leaders also visited the (Sunzitan) Rural Trade Market, where they called on people doing private family business in various agriculture and sideline products. In addition, they expressed cordial greetings to industrial and commercial administrative cadres who worked on the festival.

Early this year, other party and government leaders of Jiangxi Province and Nanchang City, including Comrades Liu Fangren, (Lu Xiuzhen), Wang Taihua, Qian Jiaming, and Cheng Andong, came to the Nanchang Railway Sub-Bureau and the Nanchang Telecommunications Bureau to extend Spring Festival greetings to the cadres, staff members, and workers doing transportation and communications work on the festival. Liu Fangren said: In the past year, you have worked hard and contributed to the building of material and spiritual civilization in Jiangxi. The party committees and people's governments of Jiangxi and Nanchang want to pay their respects and express gratitude to you.

Then, Liu Fangren and the other comrades visited the provincial Radio and Television Department, the Jiangxi branch of XINHUA NEWS AGENCY, and the office of JIANGXI RIBAO to call on the editors, reporters, and shop workers on duty. Liu Fangren said: The people across the province can hear the radio broadcasts, watch television, and enjoy rich recreational programs on the festival. This is inseparably linked to your earnest work on the holiday. At the Jiangxi branch of XINHUA NEWS AGENCY, Liu Fangren said: During the past year, you have dispatched many reports on the work of building material and spiritual civilization in Jiangxi, thus contributing to Jiangxi's stability. I hope that you will strengthen the work of news reporting in the new year. Let us make joint efforts to do still better work in Jiangxi. [passage omitted]

At 0900, another group of party, government, and Army leaders of Jiangxi and Nanchang, consisting of Jiang Zhuping, Wang Zhaorong, (Zhang Tianxi), Chen Guizun, Jiang Zhongping, and (Chen Zhenggen), visited the Jiangxi Motor Vehicle Plant to extend Spring Festival greetings to staff members and workers at their work posts on the festival. [passage omitted]

At 0600, party and government leaders of Nanchang City, including (Ma Shichang), Cheng Andong, and Jiang Zhongping, visited the city's environmental protection and public transportation departments to wish a happy Spring Festival to the staff members and workers.

Jinan Military Region Holds Rally for Veterans

*SK2301042390 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 22 Jan 90*

[Text] The Bayi Auditorium of the Jinan Military Region was newly decorated on the afternoon of 22 January for convocation of a ceremonious rally to extend greetings to veteran cadres of the units stationed in Jinan. More than 1,800 veteran cadres of the units stationed in Jinan attended the rally. Also attending were Li Jiulong, commander; Song Qingwei, political commissar; Gu Hui and Lin Jigui, deputy commanders; and Cao Pengsheng, deputy political commissar, of the Jinan Military Region; Xu Chunyang, secretary of the Discipline Inspection Commission of the Jinan Military Region; Jiang Futang, director of the political department of the Jinan Military Region; Zhang Zonglin, director of the Logistics Department of the Jinan Military Region; Rao Shoukun and Kong Shiquan, former leading comrades of the Jinan Military Region and members of the Central Advisory Commission; Xiong Zuofang, Pan Qiqi, and Zhang Rusan, members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; and Fan Chaoli, Zuo Qi, Zhao Bing'an, Fang Zheng, (Wu Huaicai), Li Suiying, Bai Bin, Zhang Zhi, Ren Sizhong, Zhang Feng, Ouyang Ping, Wang Jinquan, and Xu Hongyun, retired former leading comrades of the Jinan Military Region.

Jiang Futang, director of the political department of the Jinan Military Region, presided over the rally. Li Jiulong, commander of the Jinan Military Region, spoke. On behalf of the party committee, the organs, and the commanders and fighters of the Military Region, he first extended festival greetings to the veteran comrades. Then he reviewed how, under the correct leadership of the party Central Committee and the Central Military Commission, all the units of the Military Region implemented the party's line, principles, and policies and successfully fulfilled the various work tasks entrusted to the region by higher authorities in the past year. He praised the retired veteran comrades of the Military Region for showing concern for the major affairs of the state; for playing an important role in checking the turmoil and suppressing the counterrevolutionary rebellion; and for making new contributions to supporting the Army building. Commander Li Jiulong also introduced to the veteran comrades present at the rally the general guiding thoughts of the work of the Military Region and its work tasks in the new year. In conclusion, he earnestly urged the veteran comrades to continue to maintain and carry forward the glorious traditions of our party and our Army and to make new contributions in safeguarding the lasting order and stability of the state and in promoting the revolutionization, modernization, and regularization of the People's Army.

The song and dance troupe of the political department of the Jinan Military Region, the Shandong Provincial Beijing Opera Troupe, and the Jinan City Children's Song and Dance Troupe staged rich and colorful performances at the rally.

Li Jiulong, commander, and Song Qingwei, political commissar of the Jinan Military Region, also visited former leading comrades of the Military Region and families of deceased comrades, respectively, on the morning of 22 January.

Zhao Zhihao Addresses Shandong's Rural Work

SK0102074190 Jinan DAZHONG RIBAO
in Chinese 16 Dec 89 pp 1, 2

[Text] One of the important topics of discussion at the ongoing provincial rural work conference is the improvement of cooperation between the eastern and western parts of the province to promote a sustained, stable, and coordinated development of our economy. Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, delivered a speech on 15 December on this issue. He called on all localities to acquire further understanding of the important strategic significance of the cooperation between eastern and western parts of the province. He urged them to actively blaze a new trail for the cooperation in the process of improvement, rectification, and in-depth reform, so that the economic cooperation between the eastern and western parts of our province can have a greater development.

Comrade Zhao Zhihao said: The 5th Plenary Session of the 13th CPC Central Committee stated a principle of

achieving a long period of sustained, stable, and coordinated economic development. Economic cooperation is an important measure for implementing this principle. Our province has practiced this over the past few years and has proven that widespread economic cooperation between the eastern and western parts was conducive to a coordinated development of the economy of the entire province. This has also proven that the strategy of "opening the eastern part, developing the western part, carrying out cooperation between the eastern and western parts to achieve common development," as established by the provincial party committee and government, was totally correct. The economic cooperation between the eastern and western parts of the province has been developed in an organized and well-guided manner for nearly 5 years. It has proceeded in an orderly way, step by step, and yielded remarkable results. First, economic exchanges have increased, and the range of cooperation has been expanded. In the past 5 years, the eastern and western parts of the province reached agreement on 1,688 projects on economic cooperation, of which 982 projects have been or are being carried out, creating 795 million yuan in output value and 158 million yuan in profits and taxes annually. Second, a rational distribution of the major elements for production has been promoted, and the technological level of enterprises has been upgraded. The western part of the province used such farm and sideline products as cotton and grain to support the economic development of the eastern part, which in turn used fairly advanced technology and management expertise to help the enterprises in the western part of the province improve their grade and level. In particular, the cooperation between enterprises tore down the old barriers between different departments and different regions, making it possible for the distribution of the major elements for production to improve continuously. Third, the lopsided distribution of productive forces in some trades has been changed initially. In the past, most of the textile industry and the farm and sideline product processing industry were concentrated in the eastern part of the province; while the western part of the province, where cotton and grain were abundant, had a very weak processing capacity. That situation has greatly changed, and the textile and grain and oil processing capacity of the northwestern part of the province has been greatly enhanced. Fourth, economically underdeveloped localities have expedited their pace in eliminating poverty and achieving affluence. The provincial party committee and government have always regarded the effort to enhance the self-development capacity of the western part of the province as an important task for the economic cooperation between the eastern and western parts of the province. Pertinent departments directly under the province have also paid attention to formulating plans for projects, funds, and materials and policies for finance, taxes, and credits in favor of the western part. Despite the very strained supply of funds, a method of allocating financial subsidies in advance has been implemented since 1986 to support 46 counties that relied on financial subsidies to develop industrial projects. This produced good

results. Fifth, the development of the export-oriented economy has been facilitated. In the process of opening to the outside world, leading people of both eastern and western parts of the province came to understand that development by themselves alone would lack competitive edges in the world market, and that they should introduce investment from abroad and establish ties between themselves in opening to the outside world in order to achieve common development.

In the process of developing the cooperation between the eastern and western parts of the province, all localities, proceeding from reality, have explored some roads and initially accumulated some experiences. First, leading people have attached importance to the economic cooperation between enterprises, and have actively served as a bridge for it. Party committees and governments at various levels have included it in their agenda. Party and government leaders have personally led groups to visit their counterparts; conducted widespread economic and technological exchanges; formulated a series of preferential policies to encourage cooperation; and helped solve the specific difficulties in the economic and technological cooperation between enterprises, thus effectively promoting the smooth progress of the economic cooperation between the eastern and western parts of the province. Second, flexible and multiform measures that suit specific local conditions have been adopted for economic cooperation. Among the projects on economic cooperation in various localities, some have been organized by governments, others led by professional departments, and still others, which account for the greatest part, have been developed by enterprises themselves. Successful projects have a common characteristic, which is the adoption of flexible measures in line with actual conditions. Some of these measures are: the distribution of products; processing of spare parts; technological cooperation; exchange of materials; compensation by resources; investment in establishment of production base areas; joint operation between scientific research and production units; and establishment of enterprise groups. Adopting these measures has helped the province achieve a faster development in the economic cooperation. Third, the economic and technological cooperation between enterprises has been regarded as the main body of cooperation between the eastern and western parts of the province. The guidance, organization, and coordination by governments are indispensable for developing the economic cooperation between the eastern and western parts of the province, but, in the end, it is enterprises which play the "leading role." Without the initiative of enterprises, the ideas and plans of governments, however good they may be, will be difficult to implement, and the cooperation between the eastern and western parts of the province will become a mere formality. Fourth, the method of making the best possible use of favorable conditions and supplementing each other's strong areas has been followed. Thus the initiative in cooperation has been enhanced. Fifth, the effort to persist in mutual benefit has been combined with the effort to develop the socialist cooperative spirit.

Under the conditions of a planned commodity economy, we should persist in mutual benefits in order to increase the cohesive force inherent in economic cooperation. However, ours is a socialist country, and we should regard common affluence as our goal. We should take the road of mutual support and common development.

In speaking on acquiring further understanding of the important strategic significance in developing cooperation between the eastern and western parts of the province, Zhao Zhihao said: The cooperation between the eastern and western parts of the province has yielded certain results, but we should not overestimate them. From now on, all localities and departments should continue to profoundly understand the strategy of "opening the eastern part, developing the western part, and carrying out cooperation between the eastern and western parts to achieve common development." All localities and departments should understand anew the important strategic significance in economic cooperation between the eastern and western parts of the province. We should first understand that cooperation between the eastern and western parts is an important way to achieve a sustained, stable, and coordinated development of the economy. Our province's economy has encountered two major problems for a long period of time. First is the very conspicuous structural contradiction, the rather weak foundation for agriculture, the serious stagnation of basic industries, particularly energy and raw material industries, and the very irrational product mix and organizational structure of enterprises. Second is the uneven development of different localities. They constitute an important factor in restricting our province's economic development. If we leave these contradictions unresolved, a sustained, stable and coordinated development of the economy will become empty words. This requires that we greatly develop the economic cooperation between different localities, supplement with each other's advantages, and achieve the optimal organization of the major elements for production.

We should also note that the cooperation between the eastern and western parts of the province is an important content of the in-depth reform. Barriers between departments, regional blockades, and enterprises with their own all-embracing systems—no matter what their size—represent the major defects of the old system, which hinders the development of productive forces. Through reform over the past few years, this situation has been changed. Nevertheless, problems, which are very conspicuous sometimes, have yet to be solved once and for all. The party Central Committee's decision to further improve the economic environment, rectify the economic order, and deepen the reform illustrates the need to continue to promote the lateral economic cooperation between enterprises and to develop enterprises groups. It is an important part of the in-depth reform. Based on this need, we should greatly facilitate the cooperation between the eastern and western parts of the province, especially the multiform association and cooperation

between enterprises, and accelerate the process of specialized and socialized production.

Cooperation between the eastern and western parts of the province is also an important measure to promote agricultural development and emphasize agriculture. Agricultural development depends on the support of industry. Because the eastern part of the province has advantages in industrial development, and western part has advantages in agricultural development, the economic cooperation between the eastern and western parts, in fact, concerns the issue of how industry should support agriculture.

In short, through the economic development of our province, the eastern and western parts of our province have become interdependent and inseparable. Party committees and governments at various levels should have a strong sense of responsibility and urgency. They should carry out the cooperation, which has a bearing on the overall situation in making the people affluent and the province prosperous and successful. Party committees and governments should be effective with more enthusiasm and through realistic and effective measures.

Provincial Governor Zhao Zhihao stressed the need to actively blaze new trails for the cooperation between the eastern and western parts of the province in the process of improvement, rectification, and in-depth reform. He said: The 5th Plenary Session of the 13th CPC Central Committee and the 3d (enlarged) plenary session of the 5th provincial party committee formulated a series of important measures for improvement, rectification, and in-depth reform. They not only set new tasks but also provided the best opportunities for the cooperation between the eastern and western parts of the province. We should make the best use of the opportunities to blaze new trails and make new steps in the cooperation.

First, the cooperation between the eastern and western parts of the province should be developed simultaneously with the restructuring of the economy. Economic restructuring is the major point of the current endeavor of improvement and rectification. It is also the key to whether our province's economy can maintain a long period of sustained, stable, and coordinated development in the future. Only when the economic cooperation between the eastern and western parts of the province is combined with economic restructuring can it have the correct orientation and vitality.

Second, the cooperation between the eastern and western parts of the province should promote the development of the export-oriented economy. In facilitating the economic cooperation between the eastern and western parts, we should arrange export projects on a priority basis. The materials and funds distributed to one another by various localities in their cooperation should be used first to satisfy the need of the export projects that earn foreign exchange. Both the eastern and western parts of the province should greatly develop the export-oriented enterprises groups that earn foreign exchange

through export. Through the cooperation, we should expedite the adjustment and improvement of the export commodity mix.

Third, we should place the emphasis of the cooperation between the eastern and western parts of the province on development of resources. Ours is a province abundant in resources. Each locality has its own advantage in certain resources, but the eastern part of the province has a greater abundance of resources in comparison. In developing resources, the force of a city or a prefecture alone will not work, and we should effectively organize the financial and material resources throughout the province. Therefore, both the eastern and western parts of the province should emphasize the development of resources when carrying out lateral cooperation. Through cooperation in reclaiming wasteland, developing farm and sideline products, establishing mining and industrial enterprises, developing energy resources and raw materials, they should turn our province's advantages in resources into commodity and economic advantages, and transform them into real productive forces as soon as possible.

Fourth, we should regard promotion of technological progress as an important part of the cooperation between the eastern and western parts of the province. Both the eastern and the western parts of the province are currently in the initial stage of opening up and development. With rather strained supplies of funds and materials, they cannot possibly spare more funds and materials for their cooperation. Nevertheless, the potential for their cooperation in technology and management expertise remains tremendous. We must overcome the idea of stressing "hardware" to the neglect of "software"; place the emphasis of the economic cooperation between the eastern and western parts of the province on promotion of technological progress; make the principle of "developing Shandong through science and education" go through all the fields and the entire process of the cooperation; and upgrade the province's technological and managerial levels.

Fifth, we should use the mechanism of interests to promote the cooperation between the eastern and western parts of the province. Reasons for the sluggish progress of the cooperation are numerous, but an important one is the imbalanced relations in terms of interests. Therefore, we should study and formulate some realistic and feasible policies to ensure that the economic interests of both the eastern and western parts of the province are handled and compensated.

Sixth, we should implement policies in favor of the economic cooperation between the eastern and western parts of the province. When giving guidance to work, we should be based on the need for adjusting industrial composition and product mix. We should implement policies in favor of the cooperation. At present, we should attach greater importance to achieving a quicker development of the western part of the province in order

to gradually narrow the difference between the eastern and western parts of the province.

Zhao Zhihao also emphasized: The economic association and cooperation between the eastern and western parts of the province take the form of a large and complicated systems engineering project. This project involves all trades and professions and all fields of work. It requires more unified leadership and better organization and coordination of party committees and governments at various levels. Party committees and governments at various levels should embrace the idea of considering Shandong as a whole; take the initiative in safeguarding the interests of the overall situation of the province when adjusting the division of districts, harnessing rivers, and balancing the relations between the eastern and western parts of the province; and see to it that government orders are implemented in an unimpeded manner. To further strengthen the organizational leadership and overall management of the economic cooperation between the eastern and western parts of the province, the provincial party committee and government have decided to establish a leading group for coordinating the economic cooperation between the eastern and western parts of the province to shoulder the major tasks of formulating plans and policies for the economic cooperation, examining and supervising work progress, and coordinating and resolving the major issues arising in the process of work. Meanwhile, the functions of all pertinent departments should be fully performed to gradually include the cooperation in the plans for the development of various trades. We should further improve in ideology and organization the contingent of the personnel in charge of the economic cooperation, and establish a contingent with a good style of thinking and professional competence.

Strengthening the cooperation between the eastern and western parts of our province is a new task for its reform, opening up, and the development of a planned commodity economy. Continuous efforts should be made to resolve contradictions, explore ways, and summarize experiences. So long as the principle of improvement, rectification, and in-depth reform are unswervingly implemented, as stated at the fifth plenary session of the party Central Committee; and the economic development strategy of "opening the eastern part, developing the western part, and carrying out cooperation between the eastern and western parts to achieve common development," we will surely make a greater development in the economic cooperation between the eastern and western parts of our province. If we emancipate our minds and comprehensively conduct reform and renovation, we will promote a long period of sustained, stable, and coordinated development of the economy.

Shanghai's Zhu Rongji Calls on Martyr's Family

OW0502142790 Shanghai WEN HUI BAO in Chinese
27 Jan 90 P 1

[By reporter Wang Baolai (3769 1405 0171)]

[Text] Yesterday evening, Zhu Rongji, secretary of the municipal party committee and mayor, visited Martyr Sheng Lingfa's family at a residential building on Datian Road in Jingan District.

At 1750, Mayor Zhu climbed the stairs briskly and called on the family on the seventh floor of the building. With profound feelings, he told the martyr's parents, wife Liu Meizhen, and daughter Sheng Lihua: "On festive occasions, more than ever we think of our dear ones far away. The purpose of my visit today is, first, to cherish the memory of Martyr Sheng Lingfa and, second, to express my solicitude to his family. Moreover, I would like, through you, to remember Shanghai's public security cadres and Armed Police commanders and fighters, who died while safeguarding public order in Shanghai, and extend warm regards to their families." Then, the mayor asked the martyr's daughter about her schooling and everyday life, and encouraged her to "study hard to seek progress everyday" "because she is the hope of the future."

The mayor added: Martyr Sheng Lingfa's heroic deeds at Nanguo Hotel are well known to all municipal residents. We should learn from him and inherit his legacy in creating a good social environment for invigorating Shanghai's economy. At the end of the visit, the mayor also called on other residents of the building. Accompanying the mayor on the visit were Yi Qingyao and Wang Mingcheng, deputy chiefs of the municipal public security bureau.

Shanghai To Further Develop Money Market

OW2501201590 Beijing XINHUA in English
1044 GMT 25 Jan 90

[Text] Shanghai, January 25 (XINHUA)—Shanghai will further develop and improve its money market, expand international exchanges in this field and seek out more co-operation partners, a banking official said here today.

Gong Haocheng, director of the Shanghai branch of the People's Bank of China, said that while reforming the bank's clearing methods last year, banks in Shanghai adopted circulation and transfer of checks, bank bills and credit cards, opened individual foreign exchange trading, approved the issuing of index-linked bonds by major enterprises, and improved the management of the stock market.

In 1989 the volume of bank discount and rediscount amounted to 10 billion yuan in this, China's biggest commercial center and short-term loans and credit exceeded 80 billion yuan, while the volume of foreign exchange trading came to 1.29 billion U.S. dollars, ranking first in China. Trading in securities amounted to 700 million yuan, half of China's total.

The branches of four overseas banks, namely the Hong Kong Bank, Standard Chartered Bank, Bank of East Asia and the Overseas Chinese Bank, diversified their business, including raising funds for foreign trade while

continuously developing export settlements. Now, 36 overseas banks are represented in Shanghai. They cooperate with Chinese banks, provide consultancy and help raise funds. Some foreign bankers sponsor lectures on new international financial instruments.

Gong said that in 1990 Shanghai banks will help standardize the inter-bank market, securities market and trading in foreign exchange, facilitate issuance of short-term bonds by enterprises with good credit ratings, expand issuance of stocks and stock varieties, and promote trading in state bonds.

Shanghai To Increase Municipal Revenue in 1990

*OW2601063090 Shanghai City Service in Mandarin
1000 GMT 22 Jan 90*

[From the "News and Weather" Program]

[Text] Briefing reporters today on the municipality's financial work for this year, Bao Youde, director of the municipal finance bureau, said: In accordance with the principle of sustained and steady development, Shanghai will strive to bring in revenues of 16.2 billion yuan this year, 2.1 percent more than in 1989.

Bao Youde said: This plan will be submitted to the municipal People's Congress for deliberation and approval. He said: It is necessary to have municipal-level revenues increase to some extent this year; they should increase 0.4 percent over 1989.

Bao Youde said: The main problems in Shanghai's financial and tax work this year are a slumping market, weakening enterprises, a large amount of subsidies for losses incurred, and large amounts of spending which are difficult to cut. The municipal government's deficit tends to further increase. The municipal financial bureau will take eight measures to cope with this, including measures to raise economic results in enterprises, cut down expenses, strictly control purchases by institutions, increase tax revenue, strengthen the management of state property, and reduce subsidies.

Bao Youde said: Bonds will continue to be issued this year. He added: It has been decided to issue 1990 state treasury bonds, in an amount which will be about the same as last year, nearly 270 million yuan. In addition, special enterprise bonds will be issued, in an amount of more than 300 million yuan.

Zhejiang Economic Meeting Stresses Stability

*OW3101063990 Hangzhou ZHEJIANG RIBAO
in Chinese 16 Jan 90 p 1*

[Excerpts] The provincial government recently held a conference on the province's planned economy. At the conference, concrete arrangements were made for this year's economic work according to the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, the guidelines of the 4th enlarged plenary session of the 8th provincial party committee, and the principles for

improving the economic environment, rectifying economic order, and deepening reform. The conference called on the leaders of governments and departments at various levels to perform this year's economic work conscientiously and efficiently.

During the conference, Secretary Li Zemin of the provincial party committee and Governor Shen Zulun of the province heard briefings from responsible people of some prefectures and cities and addressed them. Xu Xingguan, Wang Zhonglu, Li Debao, Chai Songyue, and other responsible comrades of the provincial government attended the conference. [passage omitted]

The conference called on cadres at various levels, especially leading cadres, to achieve further unity in thinking and action on the basis of the guidelines that the Fifth Plenary Session of the 13th CPC Central Committee had set. They should face up to difficulties, strengthen their spirit, and conscientiously carry out the important measures for improving the economic environment and rectifying economic order. These measures include the requirements for retrenchment, structural readjustment, maintaining order, and raising economic results. Cadres should link their efforts to surmount their local difficulties with the general requirements for improving the economic environment and rectifying economic order, seek ways and take measures to overcome such difficulties, and work hard to do so.

The conference pointed out: The general guiding principles for this year's economic work are to vigorously improve the economic environment, rectify the economic order, and deepen reform while maintaining social stability. This year we should continue to uphold the retrenchment requirements; persist in controlling prices, the scale of loans, and the amount of money put into circulation; and maintain the steady growth of savings deposits on the basis of the initial results achieved in improving the economic environment and rectifying economic order. While so doing, we should work hard to make structural readjustments, raise economic results, and increase effective supply.

The conference called for grasping agriculture as the focus of this year's economic work. The conference called for increasing to some extent the output of grain and cotton, which has remained stagnant in recent years. The conference also particularly stressed stabilizing industrial production as the key to stabilizing the economy and society this year. Therefore, government leaders at various levels, while grasping agriculture, should make considerable efforts to strengthen leadership in industrial production; they should particularly organize strong leading groups to do so to appropriately increase industrial production this year.

The conference particularly stressed the following three measures in doing a good job in industrial production this year: First, it is necessary to open international and domestic markets, readjust the product mix, carry on the "double increase and double economy" campaign, and

raise economic results as the basic measures to surmount difficulties. [passage omitted] Second, we should, as we conducted education on the party's basic line in the rural areas, conscientiously carry out extensive education on the current situation and tasks in industrial and mining enterprises. This will be aimed at enhancing the consciousness of the broad masses of workers and staff members in upholding party leadership and adhering to the socialist orientation; in persisting in the promotion of the stability of the overall situation; in implementing the principles for improving the economic environment, rectifying economic order, and deepening reform; and in contributing more to the state and their respective enterprises in surmounting difficulties. The masses of workers and staff members should be extensively mobilized to effectively carry out the "double increase and double economy" campaign. Third, it is necessary to persist in and improve the enterprise contract system of managerial responsibility. [passage omitted]

The conference stressed: In a difficult situation, cadres of various organizations should get in touch more often with comrades in basic units. They should try in every possible way to acquaint themselves with difficulties encountered by the basic units and provide service for them. At the same time, they should take young office cadres along to basic units to enable the latter to foster a good work style.

Zhejiang Succeeds in Combatting Pornography

OW0402134690 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 29 Jan 90

[Text:] The cultural departments in our province have persisted in sweeping away pornography while promoting the healthy development of literature and art since the beginning of 1989. They have thus been able to greet the first Spring Festival of the 1990s with outstanding achievements.

Under the leadership of the provincial party committee and provincial government, our province's cultural departments launched a special campaign to screen and reorganize the cultural market and sweep away pornography in 1989. During the year, cultural market management offices at all levels sent more than 55,000 people to carry out on-the-spot inspections across the province. They intercepted and confiscated over 9,300 pornographic video tapes and 150,000 copies of banned books. They closed down over 60 markets that sold pornography and other illegal video tapes. As a result of the campaign, disorders in our province's market of books, newspapers and other publications, and audio and video tapes have been rectified.

While carrying out the operations to sweep away pornography, cultural departments in our province were attentive to the flourishing of socialist literature and art. During the period when the country was celebrating the 40th National Day, the provincial department of culture sponsored seven large-scale soirees, six showings of new films produced in China, and various exhibitions. New local storytelling

programs of "Niejai Sisters" and "Making Special Purchases for the Spring Festival" were also staged. These programs have won praise of Comrade Chen Yun and other connoisseurs among the audiences.

During the National Day celebrations, literary and art stages throughout the province were also blossoming and blazing with colors. The fourth provincial opera festival, which was held in October last year, offered 1 good show after another, as 27 troupes from various localities in the province staged 33 performances in Hangzhou. The shows were selected from nearly 70 operas. All of these operas attained a higher plateau of the art. They were the results of pioneering and exploration efforts in terms of ideology, fine arts, literature, and popularization as well as of performance, directing, acting, dancing, and music.

In addition, our province also selected some of our outstanding programs for exhibition at China's second art festival in Beijing and in Nanjing, which also hosted part of the festival. These programs were lauded by the audiences from Beijing and from the various fraternal provinces and municipalities. These achievements also laid a foundation for consolidating the results in the anti-pornography campaign.

Central-South Region

Firearms, Ammunition Smugglers Arrested in Fujian

OW0302230490 Beijing XINHUA Domestic Service in Chinese 1407 GMT 3 Feb 90

[Text:] Beijing, 3 Feb (XINHUA)—According to information from the Ministry of Public Security, people from Taiwan and the mainland colluded with each other in smuggling firearms. The public security organs in Xiamen, Fujian Province, and other localities cracked the case in September 1989. The investigation of the case has recently been completed after more than 4 months of questioning and collection of evidence. The case will soon be handed over to procuratorial organs.

It is reported that as of now, a total of 43 people involved in the case have been arrested. Seventeen of them are from Taiwan, 1 is from Hong Kong and 25 are from the mainland. A total of 682 Model 77 pistols and 11,935 bullets have been seized before they were smuggled out.

According to confessions, a group of people in Taiwan headed by Wu Wenxin, in collusion with Hong Kong trader Shi Weizhong, pretended to be Thai businessmen and offered extravagant bribes to lawless persons on the mainland, and bought a batch of firearms and ammunition in September 1989. They hired trucks and taxis to smuggle the firearms and ammunition to Xiamen and Pingtan in Fujian Province, and sold them at a much higher price to the smugglers from Taiwan, who used Taiwan's fishing boats to smuggle them to Taiwan via the so-called "underground waterway." The firearms and ammunition were assembled with inferior parts from an ordnance factory by Zhang Liguang, Lin Huanlan and Ma Jianmin, all staff

members of a company on the mainland, and then sold to smugglers from Taiwan. These inferior parts were supplied by Su Zhuanlin, a staff member of an ammunition factory which produced parts and accessories for light weapons. Between April and September 1989, both sides had made eight illegal transactions involving 3,550 Model 77 pistols and 78,750 bullets. Except those firearms and ammunition which have been seized by public security organs, the rest were either shipped to Taiwan or hidden in Pingtan and other localities in Fujian.

It is reported that efforts are being made right now to quicken the pace in trying the case and in seizing offenders still at large and hidden firearms to eliminate harmful effects. A list of offenders from Taiwan and Hong Kong will soon be sent to police in these two regions.

Guangdong's Shenzhen Deepens Economic Reform

*OW3001090190 Beijing XINHUA in English
0738 GMT 30 Jan 90*

[Text] Shenzhen, January 30 (XINHUA)—Shenzhen Special Economic Zone in Guangdong Province will make more efforts to deepen its economic restructuring this year, according to Deputy Mayor Zhang Hongyi.

The deputy mayor listed six aspects in the deepening of the reform:

- The contract responsibility system in enterprises will be further perfected, so that enterprises will restrain investment, consumption and credit and expand business.
- More experiments will be conducted in extending the share-holding system to enterprises.
- A market for the transfer of property by state-owned enterprises will be established soon to create a good environment for competition.
- A scheme for reforming the wage system in enterprises will be published to ensure that enterprises have wages and economic returns linked.
- The reform of the social security system will be speeded up.
- More efforts will be made in the taxation and housing systems to regulate income distribution.

Hubei Secretary Addresses Women's Work Meeting

*HK1201071990 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 11 Jan 90*

[Excerpts] On 8 January, Guan Guangfu, secretary of the Hubei Provincial CPC Committee, held talks with nearly 200 women cadres and women deputies from all walks of life in Hubei. They were attending the 2d Enlarged Plenary Session of the Standing Committee of the Hubei Provincial Women's Federation.

After listening to the views expressed by the women cadres and women deputies, Comrade Guan Guangfu said that over the past year, the broad masses of women in Hubei have worked hard on all fronts, made great contributions

to Hubei's development, and played an important role in maintaining Hubei's political, economic, and social stability.

In speaking about Hubei's women work in the future, Comrade Guan Guangfu stressed that greater efforts must be made in the following respects: 1) It is necessary to adhere to the correct political orientation of the women's movement, greatly publicize and further establish the Marxist outlook on women, study and grasp the characteristics of the women's movement in the new historical period, further develop the glorious revolutionary traditions of the women's movement, and further strengthen the work of the provincial women's federation. The overriding task at present is to maintain political, economic, and social stability. The party's work as well as the women's work must center on and serve this task. 2) It is necessary to further and deepen the women's work by giving full scope to the role played by the broad masses of women in the building of the socialist spiritual civilization and the socialist material civilization; 3) it is necessary to carry out resolute struggle against all types of traditional concepts despising women, continuously raise the social status of women, and resolutely safeguard the legitimate rights and interests of women; and 4) it is necessary to strengthen the building of women organizations at the grass-roots level and the building of the contingent of full-time professional women cadres. [passage omitted]

Comrade Guan Guangfu stressed that the CPC committees and people's governments at all levels must accept women cadres, for this will enable the CPC committees and people's governments at all levels to strengthen their leadership over women's work and timely know about the demands of the broad masses of women.

The meeting was presided over by (Song Yuying), president of the Hubei Provincial Women's Federation. [passage omitted]

Hubei Seeks To 'Quadruple' GNP in 1990's

*HK2601120290 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 25 Jan 90*

[Excerpts] The provincial party committee and government held a meeting at the Hongshan Auditorium in Wuchang this morning for veteran cadres to greet the Spring Festival.

More than 1,200 Red Army veteran soldiers, and veteran cadres of the province happily got together with provincial leading comrades to ring out the old year and ring in the new, and to greet the first Spring Festival of the 1990's. [passage omitted]

The meeting was presided over by provincial party committee Secretary Guan Guangfu. [passage omitted]

Speaking at the meeting, Deputy Secretary Zhao Fulin first reviewed achievements that our province had made in the 1980's and then assigned tasks for the 1990's. He said that Hubei would quadruple its GNP in the 1990's following its

doubling in the 1980's. To achieve the goal, we should first maintain stability and unity of society, and second should strive for a sustained, stable and coordinated economic development through the effort to improve the economic environment and order and deepen the reform. This year, he added, is the first year of the 1990's. We should profoundly implement the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, and work conscientiously and in a down-to-earth-manner to accomplish all work so as to create a good beginning for attaining the goal set for the 1990's. [passage omitted]

North Region

Beijing Mayor Addresses Construction Conference

OW2401115290 Beijing Domestic Service in Mandarin
2230 GMT 21 Jan 90

[From the "News and Press Review" program]

[Text] According to a report by BEIJING RIBAO reporters (Zhang Hongsheng) and (An Bei), the Beijing Municipal Conference on Urban Construction, which lasted for 3 days, has appealed to some 1 million urban construction workers in Beijing to do solid and practical work in ensuring a successful opening of the Asian Games.

Speaking at the meeting, Zhang Baifa, vice mayor of Beijing Municipality, said: Last year urban construction departments in Beijing scored new achievements in all aspects. The whole of Beijing constructed 10 million square meters of new buildings in all categories. A total of 26 structures for the Asian Games had been completed. Further progress was also made in the construction of public utilities and environmental projects, thereby pushing Beijing one step forward toward modernization.

Touching on this year's work, Zhang Baifa said: The overriding and central task of urban construction departments this year is to safeguard stability and guarantee the success of the Asian Games. He urged all urban construction departments to take active and comprehensive measures to spruce up the areas surrounding the structures of the Asian Games, and concentrate on completing the Asian Games projects and putting them to use on schedule with excellent quality. They should make greater efforts to add greeneries to and beautify the city environment; do their best to ensure water supply, gas, and heating; and improve the overall service quality of public trams, subway trains, and taxis.

In his speech, Chen Xitong, state councillor and mayor of Beijing Municipality, urged workers of the urban construction departments to continue to deepen reforms in all aspects while improving the economic environment and rectifying the economic order so that urban planning, construction, and management in the capital can develop in a steady, orderly, and coordinated manner.

Beijing Mayor Visits Water Project, Peasants

OW2201023290 Beijing XINHUA Domestic Service
in Chinese 1454 GMT 21 Jan 90

[Feature by correspondent Xin Ming (6580 6900) and reporter Huang Zhimin (7806 2535 2404): "The Mayor's Sunday"]

[Text] Today, 25 December on the lunar calendar, is the last Sunday before the Spring Festival. Streets in Beijing are decorated with lanterns and colored streamers, and people are busy doing their Spring Festival shopping.

In the morning, a van steered out of the courtyard of the municipal government building. On board the van were State Councillor and Beijing Mayor Chen Xitong, Mayoral Assistant Huang Jicheng, and Deputy Secretary General of the Municipal Government Ding Weijun. They first headed for the office of the Project to Divert Water from East to West Beijing, listened to briefings on the progress of the project, and then drove to the construction site to visit and cheer the builders and civilian laborers working in the field in the cold winter.

When the car passed through Xiaotun Village of Sijichun Township in Haiding District, Chen Xitong saw a "Double Happiness" poster [a poster posted on the occasion of a wedding] on the door of a peasant's home and a crowd of people in front of the door. He said: "Let us get out of the car and go congratulate them."

Chen Xitong and his party walked to the house through a pathway. "Mayor Chen is coming!" The crowd at the wedding stepped forward to greet the mayor and vied to shake hands with him.

Amid cheers, the bride and the groom were introduced to the mayor. Chen Xitong shook their hands and wished them "a life to a ripe old age blessed with conjugal bliss."

Chen Xitong entered the house and joyfully looked at the bridal chamber. He said: "We come to offer our congratulations, but we haven't brought with us any gifts." The groom's mother said with a smile: "You have brought to us ordinary people the concern of the government, which is better than any gift."

Chen Xitong asked the family about its production and life, and told the newlyweds to respect and love each other and pay attention to family planning. The bride said shyly: "We just want one child." Her words raised some laughter in the room.

The mayor asked: "What are your comments on the current rural work and policies? Several of the peasants present vied to answer the question.

"We are vegetable growers. Vegetables fall short of demand sometimes, while it is unsalable at other times. At present, vegetable prices are low while chemical fertilizer and plastic film are expensive."

Chen Xitong said: "Vegetables are cheap but the means of production are not. I know the situation. We will take

further measures to protect the vegetable growers' initiative. Of course, urban residents are pleased with having cheap vegetables."

Another peasant said: "While pleasing urban residents, we must also consider our production costs."

"This is the contribution made by the peasants of Beijing's suburbs," said Chen Xitong with a smile. "Our principle is one of 'serving the capital and making the peasants well to do,' and we must achieve both."

Laughter filled the bridal chamber. Chen Xitong posed with the newlyweds and their families for a group photo, and then drove on to continue his visit to the construction site of the water diversion project.

It is an urgent and important project designed to solve the problem of water supply for more than 100,000 residents in the western part of Beijing and some large industrial plants there, such as the Shoudu Iron and Steel Complex and the Shijingshan Power Plant. Seeing the workers working in the cold wind, Chen Xitong told them with deep feeling: "You are working very hard." The workers said: "It is worthwhile to work hard to ensure constant water supply for more than 100,000 people."

Chen Xitong asked them: "Have you done your Spring Festival shopping?" and "Is there enough meat in the market?" The workers answered: "Under your leadership, we have enough meat to eat." Chen Xitong said: "It is entirely because of your efforts."

When Chen Xitong and his party returned to the Municipal Government office, it was already 1300.

Northeast Region

Sun Weiben Visits Noted Heilongjiang Workers

SK0402092790 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 3 Feb 90

[Text] On the afternoon of 3 February, Sun Weiben, secretary of the provincial party committee, and Shao Qihui, provincial governor, went to Harbin Trade Union Council to visit the noted national ideological and political workers, including (Liu Ji), (Qi Xiao), (Li Jianjie), (Peng Qingji), (Jing Kening), and (Xu Yongtian). Zhou Wenhua, Wang Haiyan, and Qi Guiyuan were also present at the meeting.

In 1988, when (Qi Xiao), (Li Jianjie), and (Peng Qingji) explained and publicized socialist ideals and the necessity of upholding Marxism-Leninism-Mao Zedong Thought in Shekou, they were attacked by some people who persisted in bourgeois liberalization. That incident was called the disturbance in Shekou. Some Western anti-Chinese forces once called that the beginning of bankruptcy of a new "three family village" doctrine.

During the meeting, (Qi Xiao) said: Practice showed that the orientation which we have been adhering to is right and our ideological and political work is practical.

Secretary Sun Weiben thanked (Li Ji) and his company for bringing ideological and political work experience to our province, because their experiences would give great impetus to the entire province's ideological and political work and contribute to raising the quality of the provincial ranks of political workers.

On 3 February, these noted ideological and political workers gave special reports on adhering to the socialist road to the broad masses of trade union cadres and cadres in charge of political work in Harbin. They were warmly welcomed by the audience.

Quan Shuren Attends Liaoning Study Meeting

SK0302095290 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 2 Feb 90

[Text] The provincial party committee today held a meeting to study and discuss party building and to study how to strengthen party building under the severe situations facing us at home and abroad.

The meeting was attended by more than 60 persons, including leading comrades of the six major provincial leading bodies, such as Quan Shuren, Dai Suli, Wang Guangzhong, Li Changchun, Xu Shaofu, and Gao Zi, and members of the Standing Committee of the provincial party committee and of the provincial Advisory Commission, and some veteran comrades such as Guo Feng, Li Huang, Li Tao, and Song Li, and secretaries of various city party committees.

In line with the province's situation in party building, the meeting will sum up the experiences and lessons in party building, and study how to uphold the nature of the party as the vanguard of the working class under the conditions of holding office and working for reform and the open policy, and how to strengthen and improve the party leadership.

The study and discussion meeting will last 7 days.

This morning's plenary meeting was presided over by Sun Qi, deputy secretary of the provincial party committee. Quan Shuren, secretary of the provincial party committee, spoke. (Tao Mingyuan), principal of the party school of the provincial party committee, introduced the situation of the party building theoretical study class of the party Central Committee.

Liaoning's Dalian Zone Expands Financial Service

OW0402182990 Beijing XINHUA in English 1435 GMT 4 Feb 90

[Text] Dalian, February 4 (XINHUA)—The Dalian Economic and Technological Development Zone in northeast China's Liaoning Province has expanded its financial services to facilitate foreign economic cooperation.

The Dalian Development Zone branch of the Bank of China began international settlement service in April

1988. Now the branch has established correspondent bank relations with 130 banks in Japan, the United States and Hong Kong.

Zhu Shanyun, president of the branch, said: "Nearly all the foreign - funded firms in the zone have opened accounts with my branch. We offer convenient service for various business transactions and a large amount of working funds for the foreign-funded firms."

Since its establishment in October 1984, the Dalian Development Zone has formed a comprehensive financial network with branches of all the national specialized banks operating in the zone.

According to Zhou Haifei, an official at the local branch of the national central bank, the People's Bank of China, the financial network has helped bring in 400 million yuan in funds for the zone, and it has also established close links with the international financial market.

Zhou said: "Many overseas financial institutions are quite satisfied with our financial network. For instance, a Japanese bank which keeps business relations with us has brought four Japanese firms to operate in the zone. Three of them are wholly Japanese-invested."

Zhou said that in the last five years Chinese banks have invested some 400 million yuan in infrastructural construction in the zone, and provided 500 million yuan in credits to local firms.

There are now 154 industrial enterprises operating in the zone. One hundred and thirteen of them are foreign-funded.

Zhou believes the improved services in the zone will attract more international investment.

Northwest Region

Jia Zhijie Urges Gansu Economic, Social Stability

HK0602045790 Lanzhou GANSU RIBAO in Chinese
9 Jan 90 p 1

[Report by reporter Qiu Yongqiang (6726 3057 1730): "Jia Zhijie Says That This Year's Guiding Idea Is To Stabilize the Economy and Society"]

[Text] On the afternoon of 8 January, Gansu Provincial Governor Jia Zhijie at a conference of department heads and bureau chiefs called by the provincial government suggested that the year 1990 should be "a year of stability." The fundamental guiding idea for our government's work is economic and social stability. This should also be taken as a basis for a positive contribution to national stability.

After reporting on the main achievements scored by our province in the past year, Jia Zhijie pointed out that these achievements show that our province's economic mix tends to be rational. Governments and departments at

various levels have done a large amount of work. If we keep going in this direction, Gansu has great hopes.

The guiding idea for government work in 1990, Jia Zhijie said, should be economic stability. In Gansu, the most important thing is to stabilize agriculture and grain production and seek new means of development on the basis of last year's level. To this end, we must adopt special measures and direct vigorous efforts to changing the fundamental conditions for agricultural production. According to plan, we must pay close attention to the building of irrigation projects. We must take good care of farmland capital construction in a lasting and persistent manner. We must step up the implementation of plans for the production of chemical fertilizers and insecticides. We must take good preparations for farming, winter accumulation of manure, the arrangement of fine seed strains, and insect pest prevention work in winter wheat-related areas. We must energetically increase the area covered by plastic sheeting. We must also make full use of such favorable conditions as the relatively ample supply of electricity this year, properly organizing industrial production in one quarter and preventing by every means a slide.

Jia Zhijie pointed out that the key to economic stability is the stability of policy. We must guarantee the stability of such fundamental policies as the household responsibility system of linking pay to output, the enterprise operation contract responsibility system, the plant director responsibility system, and the development of various components of an economy, the policy of opening up, and so forth. We must realistically do a good job of laying a firm basis for getting things done and let the masses have "ease of mind."

Second, we must stabilize thinking, set people's hearts at rest and stabilize society. Jia Zhijie stressed that we must in line with the spirit calling for stability, encouragement, firm implementation and development, take the initiative to do a good job of ideological and political work among the masses, lecture the masses on the international and domestic situations and on our general and specific policies, tell the masses of people the facts, reason things out with them, inspire them with kindnesses and thus straighten out their thinking and feelings. Meanwhile, we must strengthen ideological education, launch the campaign to learn from Lei Feng in a penetrating manner, promote the spirit of serving the public selflessly, and elevate the plane of people's thinking. Jia Zhijie also put forward concrete demands in regard to stabilizing social order and solving the employment problem and the problem of national religions.

To properly handle this year's various tasks, Jia Zhijie specially stressed the need to realistically change the work style. He further announced that various governors of the provincial government must concentrate on paying attention to concrete matters, doing concrete things, stressing actual results, and refraining from assuming airs and concentrate on properly carrying out macroeconomic policies. The provincial government must persist in setting a personal example and make the determination to promote honest government.

Roundup Reviews 1989 Political Situation

OW2101154390 Beijing XINHUA Domestic Service
in Chinese 0500 GMT 19 Jan 90

[Roundup: Review of Taiwan's Political Situation in 1989—by reporter Wang Chi (3769 3589)]

[Text] Beijing, 19 Jan (XINHUA)—During the past year, the Taiwan authorities quickened their steps in promoting "elastic diplomacy" and "double recognition" tactics to hinder the progress of the peaceful reunification of the motherland while continuing to stubbornly cling to the "three no's policy" and persistently using the so-called "principle" of encouraging "nongovernmental and unilateral" contacts to hinder the ties between the two sides of the strait. The influence for "Taiwan independence" has further expanded as the Taiwan authorities tolerate actions in this connection. The setbacks suffered by the Kuomintang [KMT] at the year-end "election of three types of personnel holding public offices" have created shocks inside the party and aggravated the contradictions among the top-ranking officials in the KMT. All these are complex factors which affect Taiwan's political situation and its future.

With the joint efforts of the people on both sides of the strait, the people-to-people exchanges between the two sides have continued to grow last year. In early 1989, the sports organizations on both sides of the strait had, for the first time, agreed through consultations that the sports teams and organizations in Taiwan may go to the mainland to participate in various sports activities and attend meetings under the name of "Taipei, China." Since then, the exchanges between athletes on both sides of the strait have become more active than before. At the end of 1989, the first organization for trade and business consultations between the mainland and Taiwan was established. Nongovernmental entrepreneurs from Taiwan had taken the initiative to participate in the activities sponsored by this organization. All this is conducive to further developing trade and business exchanges on a nongovernmental basis. People on both sides of the strait have visited each other more often to see their relatives and tour various localities. Taiwan's public opinion calling on the authorities to "ease restrictions of various types on a large scale" to facilitate "bilateral exchanges" between the mainland and Taiwan and to "adopt a policy of opening to the mainland" had become louder and louder. Under these circumstances, the Taiwan authorities had to permit Taiwan's school teachers, faculty members, as well as low-ranking government officials to visit their relatives on the mainland. They had also relaxed their restrictions on the compatriots on the mainland who sought to visit their sick relatives or attend funerals in Taiwan. Last year, the Taiwan authorities sent for the first time an official delegation headed by "Minister of Finance" Guo Wanrong to the mainland to attend the 22d annual session of Asian Development Bank council meeting, arousing widespread attention at home and abroad. However,

according to public opinion: The "gradual relaxation of the mainland policy" is "brought about by the people in Taiwan step by step."

Last year, the Taiwan authorities made use of economic aid, loans and other means to draw some nations with economic difficulties over to their side to develop official relations with Taiwan. These countries originally had diplomatic relations with China. Taiwan had "established diplomatic relations" with Grenada, Liberia and Belize on separate occasions. This practice of the Taiwan authorities aimed at forming an "independent political entity" and creating "one China, one Taiwan" or "two China's" runs counter to the interests of all the Chinese people, including the people in Taiwan. Even in Taiwan, this practice has been opposed by many people and public opinion. Some newspapers in Taiwan pointed out: These "diplomatic tactics aimed at creating two China's" is "really dangerous."

Over the past year, the contradictions among the Taiwan authorities and the contradiction between the KMT and other parties were aggravated. The contention between the KMT and other parties during the year-end election for three types of personnel holding public offices—"county and city commissioners," "provincial and city-level parliamentary members," and "additional legislators"—became more fierce. This election was the first large one since Taiwan "lifted martial law and the restrictions on parties." It was a major event in last year's political life. The KMT and other parties, such as the Democratic Progressive Party, attached great importance to this election and concentrated all their efforts on the race. Meanwhile, the "Taiwan independence" organizations overseas and some people in the United States also meddled or even actively took part in the election. Compared with past election results, the Kuomintang won only 60 percent of the popular vote and lost one-third of the leading posts this time, although it still maintained its position as a ruling party. However, the opposition parties with the Democratic Progressive Party as the main force made significant progress and seized some important posts. This election was regarded as a serious setback for the KMT, reflecting the dissatisfaction of the people in Taiwan and their desire for change. After the election, the KMT reshuffled its high-ranking officials in charge of party affairs under the slogan of "accelerating party reforms." This has aggravated the conflict within the KMT. At the same time, the presidential and vice presidential elections will be held at the end of March this year. The intrigue among the various political factions within the Kuomintang will come to the surface.

A phenomenon that emerged in Taiwan which is worthy of serious attention by Chinese in China as well as in other countries is that the Taiwan authorities tolerated statements about "Taiwan independence" by advocates who carried out frenzied activities during the campaign for election of "public servants at three levels" at the end of last year. A few "Taiwan independence" organizations came to Taiwan at the end of last year to hold

meetings there, at which they openly called for "independence for Taiwan." The authorities also approved demonstrations and rallies calling for "independence for Taiwan." During the elections at the end of last year, the Democratic Progressive Party's faction in favor of "Taiwan independence" called for the formation of a so-called "United Front for a New State." Fielding 32 candidates, it openly made "independence for Taiwan" its campaign "platform," made public a few copies of the so-called "Constitution of the Republic of Taiwan," and openly called for the formation of a "new state." A number of fervent advocates of "Taiwan independence" entered Taiwan's political arena during the elections, thus bringing about factors of instability for Taiwan's situation.

The deteriorating social mood and the grave confusion of public order remained a hot topic of Taiwan's public opinion last year. Kidnapping of children, extorting money from industrialists, illegal sales of guns and weapons, murders, and other incidents seriously affecting public order were numerous in Taiwan last year, causing panic among the people and even an outflow of capital and emigration. Social conflicts caused by disputes between labor and capital and environmental pollution were numerous. Last year, because of the rising prices of homes, the homeless, and those in danger of losing their homes, several hundred people of the salaried class launched a so-called "snail clan" protest campaign by sleeping in the streets outside the KMT Central Committee building. These social contradictions which the Taiwan authorities are not able to solve are undeniable factors affecting Taiwan's stability.

The Taiwan authorities stepped up their anticommunist clamors last year. Particularly after and before the counterrevolutionary rebellion in Beijing was quelled, they even stepped in to support the turmoil in some parts on the mainland, and then they enlisted fugitives from the mainland for anticommunist purposes, thus intensifying the tension between both shores of the strait. In the new year the people on both sides of the strait should follow with interest whether the Taiwan authorities can set

store by the interests of the state and the people, end words and deeds which are not favorable to contacts between both shores of the strait and to the reunification of the motherland, and do some concrete things to promote exchanges between the two shores and bring about a peaceful reunification.

Jurists Criticize Draft Regulations on Ties

*OW2201024490 Beijing in Mandarin to Taiwan
0400 GMT 21 Jan 89*

[From the "News" program]

[Text] According to a XINHUA NEWS AGENCY dispatch, jurists in the capital have discussed the draft provisional regulations formulated by the Taiwan authorities on relations between people on Taiwan and the mainland. The discussions were held at the Chinese People's University on 20 January.

Those present held: The draft provisional regulations violate legal principles in many places, seriously harm the interests of people on the mainland and Taiwan, and place obstacles to contacts and exchanges between people on the two sides of the Taiwan Strait.

Scholars and professors attending the discussions pointed out: Contacts and exchanges between people on the two sides of the strait have rapidly developed in recent years. However, the draft regulations formulated by the Taiwan authorities are conservative and are far from meeting the needs of the times; they definitely will not work.

They urged the Taiwan authorities to set great store by the fundamental interests of the people on the two sides of the strait; think twice before acting; rescind those articles of the draft regulations that run counter to legal principles; and do some practical work toward establishing direct links between the two sides in trade, mail services, and air and shipping services and toward realizing the peaceful reunification of the motherland.

Denial of Illegal Weapon Purchase 'Reiterated'*OW0202002290 Taipei CNA in English 1539 GMT
2 Feb 90*

[Text] Taipei, Feb 1 (CNA)—The Ministry of National Defense Thursday reiterated that the Republic of China's [ROC] top military research institution had not been involved in any attempts to illegally purchase U.S.-made weapons parts and components.

A ranking Defense Ministry official stressed that all weapons parts and components for the Chungshan Institute of Science and Technology were bought legally and proper procedures were followed.

The Massachusetts-based TRT International Co and three of its executives were indicted by a U.S. federal grand jury late last month on charges of allegedly exporting such controlled items as missile (?defence) system parts to the ROC research body in violation of the U.S. Arms Export Control Act.

The indictment alleged that the weapons parts were exported to Chungshan Institute without the necessary approval of the U.S. State Department.

The spokesman said, however, that the ministry's investigation had found that the deal was both normal and legal. If there was anything wrong, he said, "the problem would be on the American side."

The deal was conducted through a bidding process open to all companies in the free world, according to the spokesman.

Moreover, the Chungshan Institute's contract with the [word indistinct] company stipulated that the (?contract) would apply for all necessary export permits.

Since the case has entered judicial procedures, the spokesman declined to comment further, but said she expected that future Chungshan Institute purchases would not be adversely affected by the case.

Shaw Yu-ming Visits Spain*OW0302140590 Taipei CNA in English 1105 GMT
3 Feb 90*

[Text] Madrid, Feb 3 (CNA)—Shaw Yu-ming, director general of the Government Information Office [GIO], arrived in Madrid Saturday for a two-day visit.

While here, Shaw will inspect GIO office in Spain and will deliver a speech on "The ROC [Republic of China] Today and Tomorrow" in a dinner party to be held Saturday in his honor in the Melia Castilla Hotel in downtown Madrid. Some 50 local journalists and Overseas Chinese community leaders have been invited to attend the party.

The GIO chief is on his speech-tour in West Europe. Spain is the last leg of his nine-day five-nation visit.

Before his arrival in Madrid, he has visited Amsterdam, Copenhagen, Paris and Rome. He is scheduled to leave Madrid for home Feb 5.

Spokesman Clarifies Envoy's Visit to Vanuatu*OW0302100190 Taipei CNA in English 1456 GMT
2 Feb 90*

[Text] Taipei, Feb 2 (CNA)—A Foreign Ministry spokesman Friday denied as "completely groundless" news reports that the recent visit to Vanuatu of the Republic of China [ROC] representative in Fiji was to lobby and entice that nation into establishing diplomatic relations with the ROC.

The Republic of China's representative in Fiji, Wang Chao-hsuan, visited the Republic of Vanuatu in December last year at the invitation of its Prime Minister Walter Lini, the spokesman said.

In his letter to the ROC Government, the Vanuatu prime minister expressed his hope that the ROC would station a trade mission in the southwestern Pacific island nation in order to strengthen bilateral relations.

While in Vanuatu, Wang exchanged views with Lini on the promotion of cooperation between the two countries, the spokesman said.

Because of differing opinions among Vanuatu cabinet members, the spokesman noted, the ROC and Vanuatu had not yet reached an agreement on the establishment of an ROC representative office in Port Vila, Vanuatu's capital.

He stressed that the ROC sought to develop diplomatic relations with other countries based on the principles of equality and reciprocity. "We'll continue to develop ties with Vanuatu based on these principles," he add.

Conflict With Greenpeace Blocks Fishing**Warning Made***OW2501052890 Taipei Domestic Service in Mandarin
2300 GMT 15 Jan 90*

[From the "News Hookup" program]

[Text] (Chiu Maoching), spokesman of the Agriculture Committee of the Executive Yuan, issued the following solemn statement on 15 January: The Greenpeace Organization is a nongovernmental international organization, and therefore it has no right to interfere in countries' fishing operations on the high seas. If this organization resorts to radical actions to stop our fishing boats from operating on the high seas, prompting our fishing boats to take self-defense actions, it should take responsibility for all the consequences. And, if the organization forcibly sabotages our fishing boats or nets, resulting in losses, this committee will assist our fishermen in asking for compensation according to law.

Clearing Up Dispute

OW1901181390 Taipei CNA in English 1610 GMT
19 Jan 90

[Text] Taipei, Jan 19 (CNA)—The Council of Agriculture [COA] said Friday it would try to clear up Greenpeace's misunderstanding about the nation's driftnet fishing industry.

The council's Advisory Committee sought scholarly and expert advice on how to deal with reported Greenpeace attempts to cut ROC [Republic of China] driftnets found to be catching sea mammals.

Fishery authorities were alarmed by the reports, and [word indistinct] by charging that the international environmental protection group had no right to interfere in the operation of ROC fishing boats.

Professor Kuo Kuang-hsiung of National Taiwan University suggested that government [words indistinct] organizations take the initiative in communicating with Greenpeace and assure them that the ROC was trying diligently to regulate fishing operations, and thus work to avoid unnecessary misunderstandings.

President Wu Teh-tsan of the Squid Fishing Association proposed that the government learn from Japan by sending patrol boats to protect the country's fishing boats and to monitor whether they were breaking laws and international standards.

The council vice chairman, Chiu Mao-ying, said the government would accelerate the replacement of old-style fishing boats and further reduce driftnet fishing.

At the same time, he added, the council would sponsor academic studies on the effect of the driftnets on ocean ecology and would gather additional detailed information on the country's driftnet fishing boats.

Wu also reported that two staff members of the Rainbow Warrior II, a Greenpeace vessel shadowing ROC driftnet fishing boats in the South Pacific, boarded a ROC fishing boat, the Ping Chieh No 101, Friday morning.

The two Greenpeace workers, one from New Zealand and the other a Danish woman, were friendly toward the Ping Chieh crew and emphasized to them that Greenpeace aimed only to protect marine resources and would never harm the Ping Chieh's crew and property, Wu reported.

COA statistics show that the nation's fishery production totaled 1.35 million tons last year, a decline of 5.4 percent from 1988; ocean-going fishery output dropped 3 percent.

COA said the decline in ocean fishery output was attributable to the increasing restrictions imposed by foreign countries in their fishing grounds.

This year, the council said, ocean fishery output will reach the 622,000-ton target because of stable international oil prices and additional fishing grounds newly opened to ROC fishing boats.

Beijing Asked To Return Local Arms Traffickers

OW0502032490 Taipei CNA in English 0247 GMT
5 Feb 90

[Text] Taipei, Feb 5 (CNA)—The police authorities of the Republic of China [ROC] Sunday asked the Peking regime to deliver to the ROC police for further investigation 17 Taiwan residents arrested by Peking authorities on charges of illegal weapons trafficking.

The request was made in a cable sent to the Paris-based International Criminal Police Commission (Interpol), police said.

According to foreign wire service reports, Peking announced that it had smashed a 43-member gun smuggling ring including 17 men from Taiwan and a man from Hong Kong.

The police said in their cable that local arms traffickers had previously smuggled weapons from the Philippines, and that the smuggling had dropped since the ROC had discussed the problem with the Philippines, but since the second half of last year a large number of guns had been smuggled into Taiwan from the Chinese mainland, and this seriously threatened social order on Taiwan.

Investigation showed that these weapons were from Peking's state-run arsenals, the cable said.

The cable also asked the Peking authorities to strengthen arms control and said the ROC police would send further information on gun smuggling in Taiwan to the Peking authorities through Interpol monthly.

According to Peking police, the men from Taiwan had smuggled 3,000 guns and 80,000 rounds of ammunition from the mainland to Taiwan between last April and September.

'Two-Way Trade' With Mainland Increases in 1989

OW0402063590 Taipei CNA in English 1418 GMT
3 Feb 90

[Text] Taipei, Feb 3 (CNA)—Indirect trade between Taiwan and the Chinese mainland reached an estimated 3.7 billion U.S. dollars last year, Vice Economics Minister Wang Chien-hsien said Saturday.

According to government statistics, two-way trade between the two sides of the Taiwan Straits totaled only 1.50 billion U.S. dollars in 1987. The total increased to 2.6 billion U.S. dollars in 1988.

In 1989, Taiwan exported about U.S. dollars 3.1 billion worth of products to the Chinese mainland through third countries and areas and imported about 600 million U.S. dollars worth of mainland goods.

As the government has increased the number of items that can be imported indirectly from the mainland, Wang predicted that indirect trade between the two sides of the Taiwan straits will further increase this year.

Government To Lower Import Tariff Further

*OW0502032290 Taipei CNA in English 0306 GMT
5 Feb 90*

[Text] Taipei, Feb 5 (CNA)—The government will further amend regulations governing import tariff to cut the average tariff in real terms to 4.3 percent from 4.7 percent, Wang Teh-huai, director of customs administration said.

Wang said that further cuts will be made in accordance with the Finance Ministry's timetable for lowering tariffs over four years and agreements reached at the early January Republic of China[ROC]-U.S. trade consultation.

It is expected that by 1992 the nation's average tariff rate in real terms will be near the average for developed nations.

Draft Overseas Futures Exchanges Bill Approved

*OW0202044490 Taipei CNA in English 0247 GMT
2 Feb 90*

[Text] Taipei, Feb 2 (CNA)—The cabinet approved Thursday a draft of an "Overseas Futures Transaction Law," to be submitted to the Legislative Yuan for approval.

The bill, the first government effort to oversee existing futures exchanges brokerage companies, strictly prohibits "gambling between buyers and their brokers," a widespread illegal practice often indulged in by local futures brokers.

According to Economics Ministry statistics, there were more than 300 illegal futures brokerage companies in Taiwan by the end of 1989, with an average total daily turnover of 40 billion New Taiwan dollars (about US\$1.53 billion).

Local futures trading started in 1987, but most trading has not followed the rules governing foreign futures markets, the ministry noted.

Once the bill is adopted, the ministry hoped, local futures brokerage companies would prepare themselves for "legalization."

The owners of those futures brokerage companies continuing to violate the proposed transaction law would be sentenced up to seven years in jail, the ministry warned.

Officials with the ministry's Commerce Department told the press that local futures brokers had expressed a strong willingness to legalize their activities.

For its part, the department said it would assist brokers to reach the goal by establishing a futures management center in fiscal 1991, which starts July 1, 1990.

KMT Supports Li Teng-hui as Election Candidate

*OW0302114290 Taipei International Service in English
0200 GMT 2 Feb 90*

[Text] The decision-making Central Committee of the ruling Kuomintang [KMT] on Wednesday unanimously supported President Li Teng-hui as the party's presidential candidate in the March presidential election.

Twenty-nine of the thirty-one members of the Standing Committee endorsed Li, who is also KMT chairman, to run for president. Two Standing Committee members who were absent from the meeting—Vice Premier Shih Chi-yang is in Honduras to attend the inauguration of Latin American country's newly elected president, while Communications Minister Clement Chang is in Japan.

Li became the first native Taiwanese head of state and party chairman in January 1988, following the death of Chiang Ching-kuo, who had handpicked Li as his successor. So far, Li has made no indication of his preference for the vice presidential post. Speculations are that Li's running mate is likely to be a government leader from the mainland because the president himself is a native son. The names of frequently mentioned include Premier Li Huang, General Wei-kuo Chiang, half brother of late President Chiang, former Premier Yu Kuo-hua, and James Song, secretary general of the KMT.

The election of the president and vice president will be made by the National Assembly on March 20 and 23. Since the ruling party enjoys absolute majority in electorate, [as heard] the election of the KMT candidates will be just a matter of formality. The new president and vice president will be sworn on March 20.

Li Teng-hui Vows To Promote Agriculture

*OW0602021790 Taipei CNA in English 1441 GMT
5 Feb 90*

[Text] Taipei, Feb 5 (CNA)—President Li Teng-hui pledged Monday to increase the well-being of farmers and to promote the nation's agricultural development.

The president made his remarks in a presidential office meeting with the outstanding farmers of 1990.

Stressing that he himself had grown up in a farming family and is an expert in agricultural economics, President Li assured farmers that the government of the Republic of China on Taiwan would look after their interests.

The Council of Agriculture has begun to formulate a program to adjust the nation's agricultural structure, Li told his guests. The program will serve as the blueprint for future agricultural development and rural construction.

The president, holder of a doctorate in agricultural economics from Cornell University, said he believed the government's efforts would definitely usher in a new era for the nation's agriculture.

He praised farmers and fishermen as a basic force for social stability and progress as well as the key to successful agricultural development.

If the nation wants to see its agriculture flourish and its society stable and prosperous, President Li urged, more efforts should be made to upgrade the status of farmers in order to rebuild their confidence which has been hard hit by the opening of markets under the government's economic liberalization policy.

As a matter of fact, the government has been actively working in this direction, he added, citing as examples measures to reform production and marketing, to increase farmer income and well-being, and to launch a widespread farmer's insurance program.

It is the government's established policy to accelerate agricultural development and to take better care of farmers, the president concluded.

Naval Task Force Increases Straits Cruising

OW2401040790 Taipei CNA in English 0238 GMT
24 Jan 90

[Text] Taipei, Jan 24 (CNA)—A Republic of China [ROC] naval task force with formidable firepower has quietly stepped up its cruises in the Taiwan Straits since January 16 to prevent possible enemy incursions before or during the Lunar New Year holidays.

The task force, consisting of destroyers, missile boats and other ships, has braved rough seas in inclement weather to stage a number of mockup attacks on intruding enemy forces.

A Navy spokesman indicated that the men and officers of the task force are "in high spirits," and ready to strike severe blows at enemy forces.

Hsu Hsin-liang Given Additional 1-Year Sentence

OW0302114090 Taipei International Service in English
0200 GMT 2 Feb 90

[Text] Dissident Hsu Hsin-liang sentenced last year to 10 years in jail for sedition, received an additional 1-year prison term on Wednesday for illegally entering Taiwan. The Panchiao branch of Taipei District Court sentenced Hsu, the former Taoyuen County commissioner, for violating the National Security Law by entering the island without official permission. After the verdict was read, Hsu said that he will not appeal in a protest of his verdict.

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